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Daily Report

Central Eurasia

FBIS-SOV-96-010
Tuesday
16 January 1996

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Daily Report
Central Eurasia

FBIS-SOV-96-010 *16 January 1996*

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Key Developments

Electoral Commission Registers Duma Qualifiers

MM1201131796 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Jan 96 p 1

[Report by Lyubov Tsukanova: "Central Electoral Commission: Last Adjustments to Lists. Yesterday Russian Federation Central Electoral Commission Hands Over Certificates of Election to Deputies to State Duma, Second Convocation"]

[FBIS Translated Text] The Central Electoral Commission [TsIK] chaired by Nikolay Ryabov has registered State Duma deputies from the following associations, which "cleared" the 5-percent hurdle, as elected in the federal district "as a result of the allocation of deputies' seats among the electoral associations' federal lists": Russia Is Our Home (38 deputies), Yabloko (30), the Communist Party of the Russian Federation (94), and the Liberal Democratic Party of Russia (44). These are the deputies who promptly submitted their applications to the TsIK to be relieved of official duties incompatible with their exercising a deputy's authority (that is, who have quit their former jobs). As you know, some officials on the electoral associations' lists turned down their seats: Russia Is Our Home (seven people, including Viktor Chernomyrdin, Nikita Mikhalkov, and Vladimir Resin); the Yabloko association (one); the Communist Party of the Russian Federation (three, including Aman Tuleyev); and the Liberal Democratic Party of Russia (six). By law their seats will be handed over to other representatives of these electoral association on the lists. But since the law requires them also to submit the relevant applications to the TsIK, their registration will take place somewhat later. As Nikolay Ryabov said, the whole procedure should be carried out consistently, in strict accordance with the law, and the TsIK intends to display "sound, well-defined, clear bureaucratic practice" here. Despite the continuing uncertainly regarding the final lists of State Duma deputies, there is no doubt that all the deputies' seats will have been allocated in time for the first session of the Federal Assembly's lower chamber and all the certificates issued to their holders.

The TsIK is one of the state institutions whose well-organized work and "sound bureaucratic practice" constitute an indispensable condition of their activity, since it is not only the image of this organization itself that depends on it but also confidence in the state's electoral system as a whole. So far all stages of the election campaign have been well organized, without disruption, and, importantly, open. As your ROSSIYSKIYE VESTI correspondent was told by a TsIK member, the TsIK will be ready at the end of January to publish in full the official results of the voting, that is, including the protocols of all the electoral commissions designated in the law.

Commentary

Agrarians Damaged by 'Miscalculations'

MM1101121596 Moscow SOVETSKAYA ROSSIYA in Russian 10 Jan 96 p 2

[Interview with Vasiliy Starodubtsev, chairman of the Russian Agrarian Union, by Zhanna Kasyanenko; place and date not given: "A Loss Is Not a Defeat"]

[FBIS Translated Text] We have heard various opinions about the Agrarian Party of Russia [APR] election setback and failure to achieve the 5-percent minimum. Including the following: The Agrarians' votes were poached by the Communists; the countryside voted not for "its own" party but for the CPRF [Communist Party of the Russian Federation]. The voters, of course, are entitled to decide which party is "theirs" and which is not. But what does one of the three leaders, who headed the APR election "trio," think about it? You might think the mere presence of a man like Vasiliy Starodubtsev at the head of the list would be enough to make the electoral association popular. He is a man with an impeccable political biography, who displays nobility in places where it is generally thought not to exist — in politics (he declined nomination in a single-seat district in favor of another candidate, even though he would have made it for sure at home in Tula); a man blessed with a certain charisma, undaunted, utterly devoted to the land, the country, and to working people.... As it turned out, even his presence among the leaders was not enough. Were the voters afflicted by the anti-leader syndrome? Who changed — the Agrarian Party or its potential electorate? Why?

[Starodubtsev] There are several reasons for the election defeat. Not least the conceited, overconfident attitude of the APR leaders. But principally the position adopted by the APR these past two years. It was far from impeccable. The point is that there are two political poles. You are not a politician if you do not recognize these realities of political life in Russia today. But the party leadership, in particular Mikhail Ivanovich Lapshin and his loyal comrades, were forever seeking some "golden mean." There can be no mean, of course, in this political situation. Either you go to the left-hand shore, or you roll over to the notorious "Our Home," to the party of power.

The Agrarians' behavior prompted serious criticism back in the old Duma. When they had to vote on questions of principle the Agrarians would suddenly back off. And they did not fight on principle for

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resign. The party does have within it forces that can head the party.

[Kasyanenko] Your activities in the Federation Council will soon be coming to an end.

[Starodubtsev] Well, not only mine. In accordance with the president's edict, the activities in the Federation Council of those deputies who were elected by the people in the 1993 elections are coming to an end. Only the appointees will remain and those who are representatives of the president. Now that is our president's view of democracy: The country must be run by his vice-regents, who are not accountable to the people. And they are ruining it, in an utterly irresponsible manner.

All this is further confirmation of the need to wage a political struggle and demands victory. I am thoroughly convinced that victory will come. Principally because it is what the people are expecting, it is they who are now in opposition. And it will teach those who want to sit on the fence a hard lesson. So the agrarians' loss was a lesson for the leaders, but in no way a defeat for the idea itself.

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Lukashenka 'Regrets' Nuclear Disarmament Pledge

WS1501101296 Kiev INTELNEWS in English 0427 GMT 15 Jan 96

[By Ed Zwirn, INTELNEWS staff writer]

[FBIS Transcribed Text] Kiev, Jan 14 — One week prior to a Commonwealth of Independent States heads of state summit in Moscow, Belarus President Alyaksandr Lukashenka has thrown a possible monkey-wrench into disarmament efforts by reportedly telling his Parliament on Friday [12 January] that he regrets his nation's pledge to become a non-nuclear state.

It is not known what effect the remarks, which were reported over the weekend by wire services, would have on the security guarantees given the country in December 1994 by the United States, Great Britain and Russia if they turn into official Belarus policy. Ukraine, Belarus and Kazakhstan were given the guarantees simultaneously at a Conference on Security and Cooperation in Europe summit in return for their ratification of the Nuclear Non-Proliferation Treaty, START I and pledges to voluntarily rid themselves of nuclear weapons. Belarus still possesses 18 SS-25 ICBMs, and is reportedly reluctant to give them up to Russia, as originally promised. The year-end 1995 deadline that Belarus agreed to in 1993 has expired, most recently posponed until September. The reports from Belarus come as Ukrainian leaders have begun to reveal second thoughts about the easy give-aways of nuclear weapons that followed the country's independence.

Defense Minister Valeriy Shmarov announced last week that Ukrainian President Leonid Kuchma intends at the CIS summit, which begins Friday in Moscow, to press Russian President Boris Yeltsin for compensation for the nuclear arms Ukraine voluntarily surrendered to Russia in 1992 and 1993.

Uzbek, Kazakh, Kyrgyz Heads Discuss Economic Integration

LD1301092096 Tashkent NARODNOYE SLOVO in Russian 13 Jan 96 p 1

[FBIS Translated Text] At the invitation of the president of the Republic of Kazakhstan, a meeting of the presidents of Uzbekistan, Islam Karimov; of Kazakhstan, Nursultan Nazarbayev; and of Kyrgyzstan, Askar Akayev, took place in Kokchetav region on 12 January.

The presidents exchanged views on the progress in fulfillment of integration programs in Central Asia on the basis of the programs for harmonizing [sblizheniye] the economies of these countries in the period up to 2000.

The sides noted the importance of active development of these processes for the good of the fraternal peoples of their countries and they noted the strategic nature of these relations. The forum of representatives of the intelligentsia of Central Asian countries, which took place in Tashkent at the end of last year [21-22 November] to restore the common history, culture, and traditions of our peoples, was praised highly.

The presidents exchanged views on the items on the agenda of the summit of the leaders of the CIS countries, which is to be held in Moscow on 19 January 1996.

An exchange of views on other matters of mutual interest also took place.

Presidents Karimov and Akayev expressed their sympathy and condolences on the deaths in northern Kazakhstan as a result of the strong blizzards and sharp drop in air temperature [in late December]. They expressed their readiness to render material assistance to the inhabitants of these districts who fell victim [to the blizzards].

President Nazarbayev thanked them and reported on the measures that have been and are being taken by the Kazakh Government to clear up the aftermath of that natural disaster.

The meeting was held in a warm and friendly atmosphere.

The next meeting of the heads of the three states is to be held in Kyrgyzstan.

Turkmen, Uzbek Leaders To Sign Cooperation Agreements

LD1601113896 Moscow INTERFAX in English 1010 GMT 16 Jan 96

[FBIS Transcribed Text] CHARJOU (Turkmenistan), Jan 16 (INTERFAX) — At the end of their talks in Charjou Tuesday, the presidents of Turkmenistan and Uzbekistan Saparmurad Niyazov and Islam Karimov are expected to sign a package of 21 documents, INTERFAX was told at the Turkmen Foreign Ministry.

The most important among them are the friendship, cooperation and understanding treaty and a border agreement.

The commander of the Turkmen border force Akmurad Kabulov said the cooperation agreement will cover matters related to the section of the CIS border with Afghanistan. Efforts will be directed mainly at stopping smuggling, he said.

Sources in the Turkmen delegation said the presidents might also discuss the terms of using oil and gas fields

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on the right bank of the Amu-Darya river and water supply problems.

On Tuesday evening Karimov will return to Tashkent.

ITAR-TASS Carries Press Review for 16 January

LD1601092596 Moscow ITAR-TASS in English 0713 GMT 16 Jan 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW January 16 (ITAR-TASS) — The hostage-freeing operation in Pervomayskoye Village, Tuesday's opening of the first session of the State Duma of the sixth convocation, the resignation of Sergey Filatov as Chief of the Presidential Staff and the appointment of Nikolay Yegorov in his place are principal domestic topics in today's Moscow-based newspapers.

While reporting dispatches from the scene of events in Pervomayskoye, newspapers so far refrain from making an evaluation of the developments. The leading idea of newspaper articles is that the Federal Security Service FSB and Federal troops stormed the bandits' positions only after all possibilites to reach an accord with the militants about the release of the hostages had been exhausted.

KRASNAYA ZVEZDA on State Duma meeting.

The State Duma, the Lower House of the Russian parliament, gathers today for its first meeting to elect a Speaker and distribute Duma committees' leading posts among factions.

"It is appropriate to recall how zealous were certain 'masters at political forecasts' in their endeavour to convince us all that matters would not even reach a point at which elections would be held.

"The forecasters were let down both by the authorities that let citizens express their opinions freely, and by the people who displayed not only a high activism, which was unprecedented for post-Communist Russia but also a certain conservatism in the manifestation of their sympathies. The voters elected only four out of 43 electorals blocs and associations to the State Duma: the Communist Party of the Russian Federation (CPRF), the Liberal Democratic Party, Our Home is Russia (OHR), and the Yabloko".

IZVESTIYA on the alignment of forces in the Duma.

"The new Duma is unlikely to become the source of political upheavals. A preliminary analysis of the alignment of forces in the Duma shows that only the Ryzhkov-Baburin group can be the only and reliable ally of the CPRF in the new Duma. Not always, though. The Agrarians, the former associates of the Communists, as far as one can judge, now tend to a more Centrist position, closer to OHR.

In result, a kind of parity develops. Approximately 200 ouspoken Communists in the Duma will be opposed by almost the same number of anti-Communists".

"Provided competent enough actions by the Presidential and Government teams, the new Russian parliament will not be able to exert serious influence on the pursuance of the political and economic course," the newspaper concludes.

KOMSOMOLSKAYA PRAVDA on the new Duma composition.

The newspaper publishes data provided by the State Duma's Scientific Analysis and Information Deaprtment. According to statistics, working in the new parliament will be 157 former Duma members, 15 former members of the Federation Council, 80 former People's Deputies of the former Soviet Union and Russia.

There were 293 newcomers. There are 46 women among 450 Duma members, only one student, three cosmonauts, three representatives of artistic intelligentsia (from among writers, artists and musicians), nine journalists, 76 directors of State-run, joint-stock, and private enterprises.

"A new section representing the working class has appeared in the Duma this time. Unlike the previous composition of the House, which did not have a single member representing the workers, the present one has seven such members."

RABOCHAYA TRIBUNA on the resignation of the Chief of Presidential Staff.

"A reshuffle has been started in the administration of the Russian Head of State. The reshuffle may be the background to Boris Yeltsin's preparations to run for a second Presidential term of office".

IZVESTIYA on the same subject.

The presence of Sergey Filatov next to Boris Yeltsin served as a certain sign to the democratic public that not yet everything has been lost in the struggle for the cause of democracy.

"In this case, the President not simply replaces one official with another. He changes a field for his electioneering game".

ROSSIYSKAYA GAZETA on the theft of art objects.

The newspaper reports that 2,000 crimes connected with the thefts of antiquities and art objects were committed

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over the first half of last year. The number of thefts of art objects from private collections increased 22-fold as compared with 1989 while the stealing of icons and other art objects from museums and churches grew 16-fold.

In another article, the newspaper analyses why the President vetoed laws on combating organised crime and corruption. The newspaper arrives at the following conclusion: the cruel lessons of history may not be repeated. "Crime cannot be stamped out if every person is viewed as a scoundrel. We already experienced that. Herein is the essence of the Presidential veto".

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Gorbachev Urges Authorities To Talk With Chechens

LD1401223896 Paris TF-1 Television Network in French 1750 GMT 14 Jan 96

[Interview with Former USSR President Mikhail Gorbachev, in Moscow, by Anne Sinclair, in Paris — live; from the "Sept sur Sept" program; Gorbachev speaks in Russian with simultaneous French translation]

[FBIS Translated Excerpt] [Sinclair] [passage omitted] Live from Moscow is Mikhail Gorbachev, the former president of the Soviet Union, who also left a unique mark on his time. I would like to thank him for being with us this evening. [passage omitted]

Mr. President, I would like to put two current affairs questions to you, if you will allow me. A Chechen commando in Dagestan has taken hostages, and the Russian Government has given them an extra night to meet the ultimatum and to release the hostages, or else, it is understood that an attack will be launched.

How do you feel? What do you want to say this evening about this painful subject? Of course, I am not asking you to give an overview of the Chechen crisis. On that particular topic, what would you like to say? What is your reaction?

[Gorbachev] This war must end. Russia must put an end to this war. It should not have started it; it was a major mistake. This has led to a serious crisis within Russia, and an end must be put to it. Having said that, I cannot support the position of the Chechen militants. They have behaved like terrorists, and whatever the reasons for their actions, they must be condemned. I understand the reasons for their actions, yet, having said that, that behavior ... [pauses] to take hostage women giving birth, women who are giving birth to a child, I think that is barbarism, it is something I cannot accept.

In such a difficult situation, we must not think only about the way this campaign for Chechnya has been lost. I do not believe that the authorities should now try to find a way to improve their situation and follow only the path of force, the military path. We must renounce this. We must start with measures promoting talks, and more bloodshed must be avoided. Even if we manage to release the hostages and then use force against the Chechens, this may result in more incidents of this kind. We must keep cool, we must act in a very cautious fashion, and we must bear in mind what is the most important thing for us, that is, to end this war as soon as possible. If more blood is shed, then the conflict will flare up. That is what I think. [passage omitted]

[Sinclair] I would like to pose you one last question, Mr. Gorbachev. Francois Mitterrand had setbacks and he also had some noted reelections. Is it premature to ask you if you have the same willingness that he had to make a comeback? There are presidential elections in Russia scheduled for June: could I ask you if you will be a candidate?

[Gorbachev] It is a question which I examine all the time, which I think about all the time, and more and more I am getting closer to making a positive decision. But I have not made this decision yet and at the moment I am devoting all my energies to reflection to be able to announce my stance in the near future.

First of all, I would like the elections to take place. Given the situation prevailing in Russia right now, including the Chechen issue, there are many reasons why the elections may be cancelled. This would be very bad. I think it is necessary to reinforce and unify democratic forces, the center-left forces, the left-wing forces and all the social movements that answer to this name, so that these forces can run as one in the next elections.

[Sinclair] Thank you, Mr. President Gorbachev, for taking part in this program. We shall remember the hint you gave: you are getting closer to giving a positive answer concerning your potential candidacy in the presidential elections. [passage omitted]

Mikhaylov Rejects 'Biased' German Views on Chechnya

LD1301173696 Moscow INTERFAX in English 1712 GMT 13 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 13 (INTERFAX) — Russian Minister for Nationalities and Regional Policy Vyacheslav Mikhaylov told INTERFAX today that he saw the evaluation of developments in Chechnya given by German Foreign Minister Klaus Kinkel as "unacceptable and biased." (Chechnya is Russia's breakaway republic - IF).

Mikhaylov criticized a recent statement made by Kinkel and published by Germany's BERLINER ZEITUNG paper in which Kinkel said Russia was "incapable of handling the Chechen problem" and proposed that the OSCE take part in settlement of the conflict.

Kinkel also said talks between the Russian federal authorities and Chechen separatist rebels had to be resumed.

"It is strange that Mr. Kinkel is not aware of the fact that OSCE representatives worked and are now continuing to rather actively work in Chechnya," Mikhaylov said.

Mikhaylov said he also considered as "strange" the proposal that talks be resumed with people from Dudayev's

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entourage (Dzhokhar Dudayev is Chechnya's separatist leader - IF) "who have not met a single provision of the military agreement they signed and who have directly participated in organizing terrorist and sabotage acts."

With regard to the hostage-taking in Kizlyar (a town in the internal Russian republic of Dagestan), Mikhaylov said that "the unprecedented terrorist tactic chosen by Dudayev's men has made the number of those involved in the peacemaking process shrink." "We cannot hold talks with obvious murderers and leaders of the groupings which consist mostly of criminals and foreign mercenaries," the Russian minister said.

However, Mikhaylov said this did not mean that the peacemaking process had been undermined. "The rehabilitation commission led by Doku Zavgayev (Moscow-backed Chechen prime minister — IF) will set clear aims for this process," Mikhaylov said. "Furthermore, I am confident that we should do our best to develop inter-Chechen peace talks," he said.

OSCE Leader Pledges Chechen Conflict Assistance

LD1501212996 Moscow ITAR-TASS in English 2118 GMT 15 Jan 96

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV, January 16 (ITAR-TASS) — Flavio Cotti, the chairman in office of the Organisation for Security and Cooperation in Europe (OSCE), called for the earliest resolution of the Chechen conflict.

He pledged that the OSCE will do everything possible in order not only to prevent a repetition of hostage-taking events, but also to settle the conflict in Chechnya.

Speaking at a press conference in Kiev, where he is on a two-day official visit, on Monday, Cotti, who is also the Swiss foreign minister, noted that the key to the Chechen issue lies in peace talks.

Pakistan 'Has No Information' on Involvement in Chechnya

LD1501184696 Moscow INTERFAX in English 1631 GMT 15 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The Pakistani Embassy in Moscow "has no information" about Pakistani residents' participation in illegal armed formations on Chechen territory, including in the band of hostage-takers led by Salman Raduyev, a Pakistani Embassy representative told INTERFAX Monday [15 January].

Salman Raduyev's gunmen launched a raid on Kizlyar, a town in the internal Russian republic of Dagestan, on January 9 and took hundreds of people hostage. They later went back to Chechnya but were stopped in Pervomayskoye village, Dagestan, of which they took control.

Russian President Boris Yeltsin said earlier today that he had information proving that among the gunmen in Pervomayskoye were mercenaries from Iran and Pakistan and Chechen criminals.

The diplomat said the embassy would verify this information with the help of Pakistani law enforcement agencies.

Islamabad declared at the very beginning of the conflict in Chechnya, an internal Russian breakaway republic, that it favors Russia's territorial integrity and considers the Chechen conflict as Russia's internal affair, the diplomat said.

Islamabad's position remains unchanged, the Pakistani diplomat stressed.

Pakistan has actively spoken out in favor of establishing "qualitatively new relations with Russia on all levels on the basis of mutual understanding and friendly relations," the diplomat said.

Iranian diplomats in Moscow were not available for comments on the Russian president's statement today. An officer at the Iranian Embassy in Moscow told an INTERFAX correspondent that there were no diplomats at the embassy who would have the authority to comment on such information.

Turkey Said To Have Barred Entry of Chechen Militants

LD1301145696 Moscow ITAR-TASS in English 1438 GMT 13 Jan 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, January 13 (ITAR-TASS) — Turkey's government banned the terrorists, who seized hostages in the southern Russian city of Budennovsk last June, from entering the country, Russian military sources told ITAR-TASS on Saturday.

The government instructed the Foreign Ministry, the General Security Office, the National Intelligence Organisation, the Customs Service and the Border Guard Service to take measures to prevent militants Basayev, Turayev, Chachayev, Asmadov, Arabkhanov, and others from entering the country.

This list will probably include the names of other bandits who attempted on the lives of the citizens of the

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Dagestani town of Kizlyar where Dudayev's supporters killed over 20 residents and seized several hundreds of hostages earlier this week.

According to the source, this decision may be explained by the fact that Chechen paramilitary groups include militants of Turkey's right-wing organisation "Grey Wolves."

"Grey Wolves" directly influence the Chechen events and the North Caucasus under cover of Islam.

According to reports, almost 90 per cent of Dudayev's rebels go to Turkey for recuperation.

Chernyshev: No Evidence of Turkish Aid to Chechen Rebels

LD1501180396 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — Russian Deputy Foreign Minister Albert Chernyshev told INTERFAX Monday that in principle Moscow could make a demarche to Turkey if reports are confirmed about Chechen militants undergoing treatment in that country's resorts. "We don't have hard evidence and the Turkish authorities deny such reports," he said.

Chernyshev, who had for a long time served as ambassador in Turkey, said that from the outset of the Chechen conflict the Turkish authorities have been pressing for its political settlement with Russia's unity preserved. "They emphasize that the events in Chechnya are Russia's internal affair, while Chechnya is an inseparable part of the Russian Federation," Chernyshev said.

Other Moslem countries have similar views of the Chechen events, he said.

"We will thoroughly analyze their response to what happened in Kizlyar and Pervomayskoye. What is clear now is that the action taken by Chechen terrorists is not supported by Moslem countries," Chernyshev said.

Turkish Reaction to Pervomayskoye Viewed

LD1501184496 Moscow INTERFAX in English 1631 GMT 15 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] ANKARA, Jan 15 (INTERFAX) — The Turkish authorities' reaction to the events in Pervomayskoye (Russia's Dagestan — IF) will depend on the outcome of the Russian federal troops' military operation against Chechen separatist rebels, Russian Ambassador in Ankara Vadim Kuznetsov told INTERFAX on the telephone Monday.

A positive reaction can hardly be expected if many Dagestani civilians are killed by federal troops shells and bullets, he said.

The Turkish authorities have persistently declared their non-intervention into Russia's domestic affairs since December 11, 1994, when the Chechen conflict began, Kuznetsov said.

"The Turkish authorities have denied their participation in any rallies supporting Dudayev's men (Dzhokhar Dudayev is Chechnya's separatist leader — IF), collection of money for them, etc.," he said.

"When one draws the Turkish authorities' attention to the fact that Dudayev's emissaries freely move across Turkish territory, the answer is that the authorities do not control Russian residents' entrance to the country," Kuznetsov said.

Residents of Russia and other CIS countries do not need Turkish entrance visas for coming to the country. Any resident of Russia or other CIS countries can obtain a tourist visa for one month after paying $10 on his arrival in Turkey.

When Moscow asks Ankara why Chechen gunmen receive medical treatment on Turkish territory, a similar answer follows, Kuznetsov said. "We are told that the official authorities have nothing to do with it. We are told that the authorities cannot ban hospitals from providing medical care to persons who legally come to Turkey," Kuznetsov said.

The Russian Embassy has no information on Turkey deciding to close entrance to the country for Chechen gunmen going there for medical treatment, Kuznetsov said. "We are now examining the situation and waiting for an answer from the Turkish Foreign Ministry," he said.

The Turkish media has been carrying out an active anti-Russian campaign in connection with Chechen developments. Kuznetsov said. "Unfortunately, there are facts proving that Russian journalists supply their Turkish colleagues with material necessary for this campaign," he said.

Kuznetsov said the Russian Embassy not only was aware of such facts but also knew names and family names of those involved. However, he declined to uncover the names.

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Second Group of Paratroopers Leaves for Bosnia

LD1601092896 Moscow ITAR-TASS in English 0654 GMT 16 Jan 96

[By Vyacheslav Guskov]

[FBIS Transcribed Text] IVANOVO, January 16 (ITAR-TASS) — The second group of Russian airborne troops belonging to paratrooper units stationed on the territory of the Ivanovo and Kostroma regions has been sent to Tuzla today by nine IL-76 planes.

Before being sent on a peace-keeping mission to Bosnia and Herzegovina the R ian paratroopers were subjected to psychological tests, given instructions and had special training exercises.

The first group of Russian peace-keepers arrived in Tuzla on January 12.

Bosnia Raid Reportedly Used To Test NATO Arms

MM1601135696 Moscow KRASNAYA ZVEZDA in Russian 12 Jan 96 p 3

[Military review by Candidate of Technical Sciences Vladimir Frolov: "What 'Deadeye' Was Aimed At"]

[FBIS Translated Text] As we know, Operation Joint Endeavor is getting under way in Bosnia to ensure the fulfillment of the peace settlement agreement reached by the Bosnian Muslims, Croats, and Serbs. With the approval of the UN Security Council it is being conducted by the armed forces of NATO countries, Russia, and a number of other states. But six months ago, NATO independently undertook an action directed only against the Serbs — one of the sides involved in the Bosnian conflict. This article deals with its military aspect.

Under cover of night on 30 August 17 F/A-18 Hornet ground-attack fighters took off from the deck of the aircraft carrier Theodore Roosevelt. At the lowest possible altitude, observing radio silence, they reached the region of the Bosnian capital and made a missile and bombing strike against the Serbs' air defense facilities located to the north, east, and south of Sarajevo. This was the start of NATO's Operation Deadeye, which pursued the aim of "blinding" the Serb air defenses so as then to be able with impunity to "bomb the nation into the stone age," as a U.S. general picturesquely put it in respect of similar actions during the Vietnam war.

The air defenses were "blinded" with the help of special onboard HARM missiles, which react to artificial electromagnetic emissions. Since any radar station sends electromagnetic impulses into the sky when probing airspace, it calls fire onto itself, as it were, by attracting the HARM missiles. The electronic airspace surveillance system was annihilated as a result of the first strikes.

The second group of combat aircraft, no longer hiding, struck at munitions and fuel and lubricants dumps. This was followed by systematic and, as the foreign press wrote, "surgically precise" strikes against military targets in western Bosnia. Command posts, communications centers, combat hardware depots, important strategic bridges, and high-voltage power transmission line towers were blown up. At the same time people died — mostly entirely innocent peaceful citizens. In an interview published in FLIGHT INTERNATIONAL magazine one of the operation's leaders — Brigadier General D. Sayer — admits that "we did not know how long the diplomats would allow us to make air strikes, and so we sought to derive the maximum effect in the very first phase of the operation."

In accordance with a specially compiled schedule daytime strike groups performed five combat sorties, each with 12-20 aircraft of the air forces of the eight NATO countries participating in the operation. The majority of them were equipped with the LANTIRN on-board navigation and targeting system. This enables them to reach the target at the lowest possible altitude, automatically hugging the terrain relief - which is particularly important in mountainous areas. The LANTIRN system is usually housed in two suspended containers. One contains a radar, which ensures that the terrain relief is followed automatically, and a forward-looking infrared station with a wide field of view. The second container holds recognition, lockon, tracking, and target-designation equipment for the launch of Maverick guided missiles. The equipment also includes a laser range finder and target designator, an automatic target-tracking device, and a missile sighting line correlator.

Guided bombs were also used, as a highly accurate weapon. Three U.S. Air Force squadrons based at Aviano (Italy) dropped a sum total of 344 GBU-10 guided bombs (mass 900 kg), 109 GBU-12's (220 kg), and nine GBU-15 bombs. The first two types of bombs were equipped with a laser targeting system, and the last with an electrooptical system. It should be pointed out that foreign specialists count guided bombs among the most effective types of modern aviation weaponry designed to make strikes against ground (surface) targets.

Results of combat application in local conflicts provide grounds to include them on the list of highly accurate aviation munitions. Guided bombs combine the high kill capability of a conventional bomb's munition with the increased targeting accuracy of air-to-ground guided

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missiles. The absence of engine and fuel and the use of the "free" force of gravity make it possible to deliver a more powerful payload to the target, given a launch weight equal to that of a guided missile. The characteristic planning regime for guided bombs makes it possible to use them without requiring the carrying aircraft to enter the enemy's local air defense zones. At the same time the field of possible bomb drops from high altitudes is only insignificantly inferior to the outer missile launch limit. The existence of guidance and targeting systems, frequently standardized with the analogous systems of guided missiles, gives guided bombs all the properties of highly accurate aviation weapons designed to hit particularly strong, small targets. In the course of the operation not only the U.S. but also the British and the French air forces used special concrete-piercing bombs which penetrate even super-deep bunkers and the massive reinforced concrete ceilings of command posts.

In addition to 600 guided ("smart") bombs, approximately 400 free-fall (the jargon term is "stupid") bombs were used during Operation Deadeye. Brig. Gen. Sayer points out that he disagrees with the latter name. In his opinion, the existence of a highly efficient computerized navigation and targeting system on board a modern fighter-bomber turns even free-fall bombs into formidable and highly accurate weapons. This was confirmed during the operation by British Jaguars and Dutch F-16's equipped with sets of free-fall bombs, which achieved, in Sayer's opinion, "fantastic hit accuracy."

In the concluding phase of Deadeye NATO used another kind of highly accurate weapon — sea-launched Tomahawk cruise missiles. Their targets were military installations in the northwest of Bosnia. As Sayer also admitted: "The use of 13 Tomahawk cruise missiles was most likely the consequence of a purely military decision, rather than a political one...."

This last admission can also apply in full measure to the whole of Operation Deadeye. It was essentially not so much of political significance to NATO as of applied military significance. The North Atlantic bloc got one more opportunity to demonstrate its strength and, at the same time, to verify the effectiveness of the NATO Command's system and to test under combat conditions both already existing arms and arms that are still being created.

CIS Nuclear Warheads Said To Return to Russia in 1996

LD1401175296 Moscow INTERFAX in English 1425 GMT 14 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 14 (INTERFAX) — All of the strategic nuclear warheads still located in Ukraine, Belarus and Kazakhstan following the Soviet Union's breakup will be removed to Russia in the first half of 1996, Commander-in-Chief of Russia's Strategic Missile Forces Colonel-General Igor Sergeyev told INTERFAX.

He said the missile divisions are being disbanded and the intercontinental ballistic missile silo launchers eliminated in Ukraine and Belarus. "In Kazakhstan this process is underway, too," he said.

He announced that missile units are to be withdrawn from Belarus by September 1. "Following reorganization, they will start operating in Russia," said Sergeyev.

He also said that the missile units stationed in Kazakhstan will be disbanded next May.

He noted, however, that in Ukraine missile regiments will be disbanded and silo rocket launchers eliminated completely by the end of 1998 in accordance with the START-1 Treaty.

Sources in Kiev told INTERFAX that more than 300 strategic nuclear warheads were still stationed in Ukraine. About a thousand warheads have been removed to Russia to be eliminated.

According to sources in Minsk, out of the 85 nuclear warheads which were located in Belarus, only 20 still remain in that republic.

Soskovets, U.S. Congress Delegation Discuss Space Ties

MM1601131596 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 7

[Report by Vladimir Aleksandrov on Meeting between First Vice Premier Oleg Soskovets and U.S. Congressional Delegation: "We Could Reach Mars Together But the Money Is Tight"]

[FBIS Translated Text] A meeting has taken place between First Vice Premier O. Soskovets and a delegation of U.S. Congressmen involved in problems of Russian-U.S. space cooperation. Attention focused on work connected with the Alpha international space station project.

In view of the crisis and the strain on the budget, Russia has been trying for several years now to save its space potential by developing joint programs with the United States. One such program is for an orbiting station.

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This project has a complex history. A majority of just one vote in the Congress three years ago enabled the Americans to allocate budget funds for the station development program. That also means money for work in the Russian Federation. Now we have played host to J. Sensenbrenner, chairman of the Space and Aeronautics Subcommittee, and J. Lewis, his colleague and a member of the subcommittee [as published] for financing government agencies [po finasirovaniyu pravitelstvennykh agentstv], whose remit includes funding the U.S. space programs. The guests wanted to see for themselves how their country's money is being spent in Russia, study the distribution of real power in the leadership of the Russian space industry, and discuss some of our side's proposals.

The visit took place against the background of the very complex situation in America in which the Republican majority in the Congress is in conflict with the Democrat President, demanding considerable cuts in budget spending in order to end the budget deficit. The congressmen said that both the President and the legislators have agreed to a firm and — for the United States — extremely small figure for manned space flight appropriations — $2.1 billion a year until the year 2002. These funds will also have to cover the cost of cooperation with Russia. This means that it will have to carry out the work of developing the orbiting space station strictly according to the very tight schedule that has been approved allowing no delays or disruptions, even less allowing any changes to the plans. At the same time there can be no question of increased spending on cooperation with Russia.

We have our difficulties, however. According to Yu. Koptev, head of the Russian Space Agency [RSA], it transpires that work has fallen somewhat behind schedule. This is true, for example, of the "FGB" [expansion unknown] orbiting service module which is being developed at the Khrunichev center — this problem can only be remedied with adequate funding. That will need around $40 million. As the head of the RSA joked wryly, what we are looking for today is Russian "know how" — how to make sophisticated equipment without money. If we find a way we will share it with our transatlantic colleagues.

The discussion also focused on the future of our Mir space station, which has been in operation since 1986. According to the RSA, it is too soon to write it off — the station has another five years of operational life left. It is the trailblazer for the giant orbiting station of the future and makes it possible to gain the experience of a long-term stay in space.

"We have stressed a number of times that Russia is loyal to its commitments in the framework of the international space station project. But we are counting on our U.S. colleagues' understanding over the continued use of the Mir station," Yu. Koptev stated, trying to convince the Americans of the need to link the Alpha program with the work of the old orbiting station. According to Koptev, the Priroda module alone, which is docking with Mir this year, will be carrying 2.5 tonnes of U.S. equipment. Why not use this station in stage one of the Alpha program to provide regular flights for U.S. astronauts to the Mir station and for maneuvers involving the Atlantis shuttle? Furthermore, the RSA is sure that this position is supported by its U.S. colleagues from Houston.

At the same time the RSA has proposed changes to the international orbiting station project and has suggested two options for its final form. According to Yu. Koptev the old plan is extremely complex technically and will take seven years just to assemble the huge installation in space. Furthermore the project makes no allowance for the slightest possibility of malfunctions or accidents, and real life just is not like that. That is why the other options must be considered and why Mir must be kept in working order as a backup.

The Americans listened attentively and smiled but were unbending. Money is tight, use what there is. Barely had we managed to defend the budget appropriations for the Alpha project than the news of delays in work and the reconfiguration of the station arrived, they said, threatening to drastically change public opinion in the United States and lead to a "cut" in funding.

That is why O. Soskovets advised the RSA not to make statements about changing the Alpha program because there must be no threat to what is the largest joint project in the high-technology sphere. RSA specialists are due to go to the United States for talks. But for the time being it has been decided to send a letter of gratitude from the Russian Federation Government to those congressmen who support appropriations for the Alpha program.

Thus the main theme of the meeting was the funding which Russia itself cannot guarantee. Here, Yu. Koptev believes, the United States could make a substantial move toward our space program by enabling Russia to earn money independently. This would mean allowing the Russian Federation access to the satellite launch market. To prevent difficulties a joint venture has been formed based on the U.S. Lockheed-Martin company, the Khrunichev center, and the Energiya corporation. However, the question of quotas for our launches has still not been decided. The United States says that this

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is because Russia could capture the market from the rest by offering rock-bottom, dumping prices.

Congressmen Sensenbrenner objected: We must take care to protect the West's place in the market. But Yu. Koptev's questions as to why anti-dumping measures do not apply to China, which is offering to launch satellites at half the established price, and why Russia is being accused of dumping even though the cost of delivery vehicles here has already reached the world level remained unanswered, unfortunately.

U.S. Ambassador Pickering on Politics, Relations

LD1401223496 Moscow NTV in Russian 1800 GMT 14 Jan 96

[From the "Itogi" program]

[FBIS Translated Text] [Correspondent Yevgeniy Kiselev] In connection with the assumptions that are widely expressed in the Western, including in the American press now, about the possible anti-American, or even, if the issue is put in a wider context, anti-Western orientation of the new Russian foreign minister, it seemed to us appropriate to find out what Mr. Thomas Pickering, U.S. ambassador to Moscow, thought about that. Mr. Pickering was interviewed by us in his residence in the renowned Spaso House.

[Begin recording] [Kiselev in Russian, English translation audible below] What do you think about the new Russian foreign minister? How may that new appointment affect Russian-American relations?

[Pickering, in English with superimposed Russian translation by Kiselev] We have already heard statements both by President Yeltsin and by new Foreign Minister Yevgeniy Primakov that continuity will be preserved in Russian foreign policy. What Primakov said at the news conference on Friday, and also at our meeting yesterday which was devoted to the very specific question of regulating the Nagorno-Karabakh problem convinces me, and I thought this earlier, too, on the basis of our previous meetings, that he is a highly professional man who knows well all the subtleties of foreign policy and who is very experienced in this matter.

This week Primakov spoke on the telephone to Secretary of State Warren Christopher and they agreed that they will meet soon. We are ready to cooperate closely with the new minister on all questions. It seems that we assess equally highly the importance of Russian-U.S. relations and are ready to continue to work to improve them.

[Kiselev] But do you agree that Mr. Primakov, especially taking into account his background, his past political career, is a completely different man from Former Foreign Minister Kozyrev?

[Pickering] Yes, of course. And he will have his own style and his own position. However, in many respects, relations between our countries are essentially relations that have already taken shape, open for discussion of any problem, for settling possible differences, and for discussing even contradictions that are difficult to resolve. Generally speaking, for an ambassador, for a diplomat, it is the usual thing to seek solutions to difficult situations. I am sure that if both of us bring good will to the negotiations' table, everything will be turn out fine for us.

I am sure that Mr. Primakov, as he himself has always said, will defend resolutely Russia's interests. I am sure that the same applies to Secretary of State Christopher, who has always been a staunch defender of U.S. interests. But in my opinion, that should not cast a shadow upon or complicate our relations in any way. Simply, another person will sit down at the negotiations' table on the Russian side. The main principles of relations between Russia and the United States that recently were resolutely confirmed by both our presidents will continue to determine the joint work of the heads of our foreign policy departments.

[Kiselev] The appointment of Mr. Primakov and the resignation of Mr. Kozyrev happened as a result of the elections in Russia. Do you expect that the foreign policy of Russia, as many in the West think, will become tougher and more anti-western as a result of the strengthening of left-wing and nationalist sentiments on the internal political scene?

[Pickering] I do not agree that the foreign minister was replaced exclusively in connection with the election results, although they might have been an important factor in the adoption of that decision. But probably only President Yeltsin could give an exhaustive reply to that question. But I think without a doubt that the new Duma reflects the mood of Russian voters, including on the eve of the very important presidential elections.

At the same time, I am convinced that the government's foreign policy, which is aimed at Russia playing a greater role in international affairs and at closer cooperation with the West, is supported by the Russian electorate. For questions of foreign policy were not a topic of any serious discussion at all in society during the pre-election-campaign, wasn't that so? The fate of these elections depended practically entirely upon purely internal political problems.

[Kiselev] Yes, of course, on internal political problems. Nevertheless, do you agree that the Russian electorate has swung to the left and perhaps even toward nationalist forces?

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[Pickering] Well, I agree that the electorate really has gone to the left. However, as far as nationalists are concerned, the electorate has rather on the contrary recoiled from them. It is enough to look at the results of Mr. Zhirinovskiy's party. It received practically half the number of votes it received two years ago and if one adds up the number of votes received by the communists and Zhirinovskiy, it turns out that the left-wing and nationalist forces together received in the Duma not many more seats than they did in the previous elections.

In any event, I do not think that the new Duma could seriously affect foreign policy. The foreign policy of Russia is in the hands of Mr. Yeltsin and he controls [kontrolirovat] it confidently.

[Kiselev] Nonetheless, is the West, including the United States, afraid of a possible victory by the communists in the presidential elections in June?

[Pickering] I am forced to approach this very carefully in order not to offend anyone in Russia. I am obliged to be reserved in my forecasts. I can make predictions only in the capacity as a private individual so that the authority of the U.S. ambassador does not become a factor capable of unintentionally tipping the scales to one side or another.

We are deeply convinced that the democratic reforms are aimed at creating a market economy in Russia, at Russia's participation in all international affairs, from world trade to peacekeeping operations. That is the main thing that we have to support. Naturally, we are satisfied when the Russian electorate support parties and politicians who are undoubtedly devoted to democratic reforms.

However, there is no doubt that the United States, as a democratic country, has profound respect for any expression of the will of the Russian electorate. This is the essence of democracy. We want the presidential elections in Russia to be deemed valid. We want them to take place on time. We want them to be free and just. And we are prepared to then accept the results of such elections. And regardless of who wins the presidential elections in Russia, we will conduct business with the winner as always, proceeding from what his policy with regards to the United States will consist of. However, we hope that the present reform course, despite all the difficulties and problems, will be continued as a result of the elections.

[Kiselev] Mr. Ambassador, I thank you for your replies. [end recording]

Counterfeit U.S. C-Notes Circulating in Russia

MM1601105096 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Jan 96 p 1

[Report by Maksim Chikin under "Today's Topics for Conversation and Debate" rubric: "Swindle. Of the $20 Billion Circulating in Russia, $4 Billion Are Counterfeit $100 Bills"]

[FBIS Translated Text] In July 1995 a Lebanese working for the Iranian special services was detained in Larnaca, Cyprus. The trunk of his Chevrolet was stuffed full of $100 bills.

The trail led to a container in Tripoli, in which there were tens of millions of counterfeit $100 bills. U.S. Treasury Department experts have dubbed the fake money "superbills." The forgers managed to crack and counterfeit three levels of security of the U.S. C-note: They used the same paper as the genuine dollars (75 percent cotton and 25 percent flax), manufactured the magnetic inks used to print the dollars, and even produced the silk threads which are woven into the paper and show up under ultraviolet light.

Viktor Melnikov, chief of the department for monitoring exchange transactions at the Central Bank of Russia, requested the U.S. State Department to mount a widescale operation to uncover the superbills. In his words, of the $20 billion circulating in Russia, $4 billion are superbills. In all there are $20 billion in counterfeit dollar bills in circulation in the world. This has brought Washington around to thinking that a certain "state hostile to the United States " is behind the production of the American money. So far the finger has been pointed at Iran.

The only solution is to cancel the old C-notes and introduce new ones. In 60 years, $350 billion have been issued in the $100 denomination, and their exchange and withdrawal from circulation will take seven years.

Primakov Comments on Foreign Ministry's Goals

LD1501141596 Moscow ITAR-TASS World Service in Russian 1303 GMT 15 Jan 96

[By ITAR-TASS correspondent Viktor Khrekhov]

[FBIS Translated Text] Moscow, 15 January (ITAR-TASS) — Yevgeniy Primakov, the new Russian foreign minister, met with editors-in-chief of the leading Russian mass media sources at the ITAR-TASS office. The foreign minister discussed Russian foreign policy goals. Among these goals, the Russian Foreign Ministry hopes to place increased efforts toward ensuring Russia's national interests. Primakov stressed the importance of strengthening cooperation between the foreign ministry and the press.

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Primakov on Further Moves for Karabakh Accord

LD1501185396 Moscow INTERFAX in English 1631 GMT 15 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — Russia, as a co-chairman of the OSCE Minsk Conference for Nagorno Karabakh, plans to make further moves for Azerbaijan and Armenia reaching an agreement on settling their conflict over Nagorno Karabakh in the near future, Russian Foreign Minister Yevgeniy Primakov said.

Moscow will put necessary efforts, including efforts on the top level, to stimulate the conclusion of the agreement on ending the armed conflict, Primakov said at a meeting with negotiators for talks on the Nagorno Karabakh conflict and consultations within the OSCE Minsk Group in Moscow Saturday.

Russia will make corresponding moves at the meetings relating to the coming CIS summit in Moscow on January 19, Primakov said.

A significant part of the draft agreement has already been coordinated. However, to achieve a breakthrough and have the document signed, compromises on several key problems are needed. This in turn requires good will on the part of all conflicting sides, Russian diplomats told INTERFAX.

In the meanwhile, a source close to negotiators told INTERFAX that the round of talks on the Nagorno Karabakh conflict which was completed in Moscow on Friday was rather productive.

The parties agreed to include a supplementary document on Nagorno Karabakh's security in the political agreement whose conclusion they still have to discuss, the same source said.

The draft document provides for deploying OSCE peacekeeping forces in the conflict zone, determining the zone in which flights of military jets will be banned, demilitarizing the territories which are to be freed and establishing free communication between Armenia and Nagorno Karabakh through the so-called Lachin corridor. The document also envisages free movement from one part of Nagorno Karabakh to another via Azerbaijani territory.

The draft provides for maintaining Nagorno Karabakh defense forces which will not be subject to any qualitative or quantitative limitations.

Armenia assumes to guarantee the document's implementation. Armenia will also guarantee Nagorno Karabakh's security.

The Armenian proposals regarding Nagorno Karabakh's security will from now be considered as part of the draft agreement on political settlement of the Nagorno Karabakh conflict and must be discussed at the next rounds of talks, the same source said.

The negotiating parties also agreed that the Nagorno Karabakh problem might be discussed with the Armenian and Azerbaijani presidents at the CIS summit in Moscow planned for January 19, the same source said.

Yeltsin, Ukrainian President To Meet in Moscow 16 Jan

LD1501113496 Moscow INTERFAX in English 1038 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — Presidents Boris Yeltsin of Russia and Leonid Kuchma of Ukraine are to meet in Moscow on Tuesday to discuss a wide range of bilateral issues, well-informed diplomatic sources told INTERFAX on Monday.

The working meeting is expected to focus on the preparation of the so-called "big agreement" between Russia and Ukraine, as well as the division of the disputed Black Sea fleet.

The sources did not rule out the possibility that a good deal of attention may be paid to issues which are critical for quick economic and financial integration and cooperation between the two countries.

A personal agreement to hold the meeting in Moscow was reached by Yeltsin and Kuchma on January 11 in Paris, where the two leaders were attending memorial ceremonies for the late former French president Francois Mitterrand.

Posuvalyuk, Safari Discuss Iran-Russia Cooperation

LD1301112196 Tehran IRNA in English 1026 GMT 13 Jan 96

[FBIS Transcribed Text] Moscow, Jan. 13, IRNA — Iran-Russia cooperation in the Persian Gulf region was discussed in a meeting of Iranian Ambassador to Moscow Mehdi Safari and Russian Deputy Foreign Minister Viktor Posuvalyuk here Friday [12 January].

The Russian official voiced his country's willingness to establish comprehensive ties with the Persian Gulf countries and stressed that Moscow considered further promotion of Tehran-Moscow ties as important. He added that Moscow believes that Iran as a major regional country should be present at all security matters in the region, adding that constant consultations between the two countries on these issues is essential.

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Posuvalyuk also said that Moscow would like to see Tehran-Baghdad relations return to normal and stated that to this end Russia is to dispatch a special envoy to the region in the near future.

Ministry Denies ROK Report on DPRK Nuclear Program

SK1301014896 Moscow Voice of Russia World Service in Korean 1200 GMT 12 Jan 96

[FBIS Translated Text] An official spokesman for the Russian Foreign Ministry has questioned the SEOUL SINMUN report that reads as if there had been a meeting on the DPRK's nuclear development program at the Russian Foreign Ministry. The official spokesman stressed that no such meeting took place at the ministry. The Foreign Ministry spokesman then hoped that SEOUL SINMUN will have an opportunity to retract the completely false report.

Radio Reviews Bilateral Economic Ties With PRC

OW1601110096 Moscow Voice of Russia World Service in Mandarin 1300 GMT 27 Dec 95

[From the "Half an Hour With Wang Xiao" program]

[FBIS Translated Text] Listeners and friends, the year of 1995 will be ending soon. How have Russo-Chinese relations developed during the year and what will future developments be, let us listen to the second part of commentary by our commentator (Krishevskiy) who will discuss development of economic and trade ties in 1995.

Economic and trade relations have all along been the focal point of all Russian-Chinese meetings at different levels. This is understandable, as both countries value that kind of contact and take them as important factors in promoting their respective economic growth. In short, Russo-Chinese economic and trade relations reached a new level in 1995. Let's start with trade. The figures itself may not be eye-catching enough as trade volume remained at its $5 billion level last year. However, the amount should not be deemed small, considering the fact that Russia is China's second largest trading partner in Europe after Germany. What is more significant is the change in trading format. This year saw the two countries beginning to perfect their trading format by gradually reverting to a foreign exchange payment system. Both Russia and China look forward to overall bilateral trade development next year, saying that the low ebb is temporary and should be over very soon. Thus, there is no cause for anxiety.

Economic cooperation will be expanding as well, particularly in the power field, where Russia is participating in construction on some of China's thermoelectric power stations, including Beijing's Huanan Thermoelectric Power Station — the largest of its kind, which will supply electricity to the eastern part of the capital. Today, the two countries are stepping up cooperation by investing in each other's country, and by promoting division of labor, technological cooperation, exchanges, and supplies. Experts of both nations even jointly discuss projects with Russian participation, including [words indistinct], construction of nuclear power stations, and supply of natural gas from Siberia to China. Finally, when it comes to Russian-Chinese military and technological cooperation, neither Russia nor China will conceal developments of such cooperation, and there is nothing unusual in doing so. As far as military modernization is concerned, the purchases of arms and military technology and offer of military supplies to other countries are lawful acts that are universally accepted. The new military technological exchange agreement signed between Russia and China during the year will benefit both sides. In the meantime, Russia and China have repeatedly emphasized that the development of military contacts between them will not pose any threat to any Asia-Pacific nations; on the contrary, the move will strengthen regional peace and stability. After all, neither Russia nor China have any intention of entering into any military alliance either now or in the future. Hence, the prospects of developing Russian-Chinese economic and trade cooperation should be great.

Yeltsin Sends Congratulations to New Japanese Premier

LD1501111096 Moscow ITAR-TASS in English 1105 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, January 15 (ITAR-TASS) — President Boris Yeltsin has congratulated Rytaro Hashimoto on his election to the post of Japanese Prime Minister. "I am looking forward to constructive cooperation with you in the spirit of the agreements reached during the Tokyo summit in October 1993. I am sure that, given a sincere desire to work for the good of the peoples of our two countries, we shall be able not only to consolidate the tendency towards developing bilateral relations in all areas, but to ensure a foundation for their promotion to a fundamentally new level," says the congratulation message, which the President addressed to Hashimoto today, the Presidential Press Service reports.

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Political Issues

Yeltsin, Barsukov Discuss Pervomayskoye Hostage Crisis

LD1601095996 Moscow ITAR-TASS World Service in Russian 0841 GMT 16 Jan 96

[FBIS Translated Text] Moscow, 16 Jan (ITAR-TASS) — Russian President Boris Yeltsin received a report by telephone this morning from Mikhail Barsukov, director of the Federal Security Service [FSB], who is leading the operation to free the hostages held by the Dudayevite terrorists in the Dagestani village of Pervomayskoye. The Russian president and the FSB director discussed the next moves by participants in the operation, said Sergey Medvedev, press secretary of the Russian head of state, speaking to ITAR-TASS correspondents.

According to Sergey Medvedev, the Dudayevite fighters have been broken up into groups by this morning but they are continuing to put up fierce resistance. Combat in the Pervomayskoye area continues.

Medvedev Justifies Action To Free Hostages

LD1501115596 Moscow INTERFAX in English 1038 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — President Boris Yeltsin used every possibility to settle the hostage crisis in Pervomayskoye peacefully, his press secretary Sergey Medvedev told INTERFAX. "It became clear Monday that procrastination only aggravated the confrontation threatening the lives of hostages," the spokesman said.

"For this reason an operation to free the hostages was launched this morning," he said.

Yeltsin received and closely studied the proposals of the Yabloko leader Grigoriy Yavlinskiy and other politicians concerning the settlement of the situation stemming from the attack of Chechen rebels on Kizlyar, Dagestan, and the seizure of hostages, said Medvedev.

At the president's orders, Medvedev said, the proposals were used during the talks with the gunmen.

"Unfortunately, none of them was taken into account by the Chechen side," the press secretary said.

Chechen Ambassador Urges Settlement

MS1601104796 London ITV Television Network in English 1900 GMT 15 Jan 96

[Interview with Charles Tchkotoua, Chechen Ambassador-at-large in the EU, by presenter Jon Snow, in London; from the "Channel four" newscast — live]

[FBIS Transcribed Text] [Snow] Charles Tchkotoua, first of all, what's your sense of how this thing is going to end?

[Tchkotoua] May I just first clarify that President Dudayev is not a rebel, he was elected by his people, so therefore he is not a rebel President.

I think how it is going to end is unfortunately like I said last week — the way it's going on now it can only get worse. I think the reports we are getting from Russia are wrong, because the reports I've been getting from the Chechen's has been that there is something like 100 soldiers, Russian soldiers killed, eleven Chechen's killed, and no hostages have yet been harmed, though a few who have been badly wounded.

[Snow] Is it President Dudayev's total ambition to have independence, or is he in a mood eventually to settle for something which leads to peace?

[Tchkotoua] Well it would lead to peace once Chechen gets it's independence. There's no other way. I mean the Chechens have been fighting for 350 years, I think Russia must realize — Boris Yeltsin must realize that Russia wants to be a democratic society, therefore people have a right to govern themselves, to elect who they want to represent them.

[Snow] But it's quite clear from Moscow that there is absolutely no will whatever to look in that direction, and nor will there be?

[Tchkotoua] I think after the elections in June things could change, provided that Yeltsin is not reelected, which I doubt.

[Snow] But let's look at the people like Zhirinovskiy [Leader Liberal-Democratic Party of Russia], I mean he is not interested in seeing...

[Tchkotoua, interrupting] Well I mean, Zhirinovskiy, he is saying — he is a terrorist — what he has been saying about, you know, a drop of poisonous gases on the Chechens, shoot, take Chechens as hostages — I mean this is not serious [sentence as heard]. No, but I think there are people — what people are saying now, what people will do after the elections is two different things. But basically the people in Russia are against this war and that is going to be the policy in Moscow.

[Snow] Do your people live under the myth of some kind of a belief that there will be outside intervention to save them. Some people have said they even believe that the British Empire will come to save them?

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[Tchkotoua] Well if they have we don't know where they are. No, up to now the Chechens have been doing it all on their own and they are willing to go on fighting on their own, but they would like moral support [word indistinct] their cause is justified, in other words, media, which you have been doing a very good job...

[Snow, interrupting] But on the other hand this has been a very alienating practice, taking innocent civilians, taking hospitals of all things, this is against the Geneva Convention even?

[Tchkotoua] Well let me tell you something. The Russian soldiers have been doing exactly the same thing in Chechnya, they have been taking hostages, civilian hostages, destroying their villages and murdering the people.

[Snow] Will there be more hostage taking, even if tonight resolves?

[Tchkotoua] This is not — this is just the beginning unfortunately, there will be more such acts until Russian Government realizes that the only way they can deal with situation is by a negotiated settlement.

Duma Faction Leaders View Hostage Crisis

LD1501180196 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The operation by the Salman Raduyev Chechen separatists, who are holding more than a hundred hostages and have begun to kill them, will entail tragic consequences for the country and for President Yeltsin, leader of the Communist Party Gennadiy Zyuganov told reporters, commenting on the events in the village of Pervomayskoye (Dagestan).

The federal forces have launched an operation to free the hostages. According to INTERFAX sources, the militants have begun to kill hostages.

"The most dangerous thing about the hostage crisis is its possible spreading to Dagestan. Unfortunately, this has happened," said Zyuganov. In his opinion, the blame for the hostage crisis rests with "the president and government, and the inept policy they are pursuing."

"It's the continuation of the old policy, whereby the authorities are incapable of ensuring their citizens' elementary security," he said.

He said he had proposed that the leaders of the other factions clear out the situation in Pervomayskoye before the end of the day and work out the procedure of considering this question during the first session of the new Duma Tuesday [16 January].

The assault on the village of Pervomayskoye, where the Salman Raduyev militants are holding more than a hundred hostages and are killing hostages, was inevitable, said LDPR leader Vladimir Zhirinovskiy.

"In this particular, case only military solution is possible, because the armed rebels and trouble-makers will never surrender," he told journalists Monday.

"Any president would have issued the order to eliminate the rebels' bases. There must be shell-holes in their place," he said.

He believes that this tragedy is yet another manifestation of the policy of creating a situation of civil war in Russia. He also laid the blame for instigating the war in Russia on "the West and U.S. president Bill Clinton," and said that "the war in the Caucasus is monitored by the FBI."

He stated that he would not demand the resignation of the government because "everything will be decided on June 16 during presidential elections."

Anyway, the tragedy in Kizlyar and Pervomayskoye is not the last one and will be followed by a chain of other terrorist acts carried out by Chechen gangs," said Zhirinovskiy.

"Many opportunities for freeing the hostages held by the Salman Raduyev militants have been missed," said Yabloko leader Grigoriy Yavlinskiy.

He told journalists in the State Duma that the assault on Pervomayskoye "will have a great impact on the political situation in Russia and on the position of the Russian government and President Yeltsin."

To quote Yavlinskiy, the most serious thing in the situation is that the war has gone beyond the Chechen borders. "Now Dagestan has been entangled into the war, all of which will seriously affect relations between Dagestan and Russia," said Yavlinskiy.

He said that the first session of the new Duma will undoubtedly raise the question of the tragedy in Pervomayskoye.

Muslim Leader Warns of Spreading Conflict

LD1501115196 Moscow INTERFAX in English 1038 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — Certain groups in Moscow wish to see the expansion of the conflict in Chechnya and are using the current hostage crisis to drag Dagestan into it, the spiritual leader of the Muslim Nur movement Vafa Yarullin told INTERFAX Monday.

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If the conflict expands, some officials "will find it easier to write off enormous sums of money, earmarked for the war but actually flowing into the pockets of specific persons," he said.

Yarullin did not rule out the possibility that the operation to free the hostages in Pervomayskoye may prompt the people of Dagestan to speak harshly against federal forces.

He also said that "the actions of the federal forces and the Chechen militants to drag Dagestan into the conflict are coordinated from one place".

"There is no other explanation for the free movement of big groups of militants, not only throughout Chechnya, but also in neighboring republics," Yarullin said.

Forces in Moscow Said Shielding Dudayev

MK1601143696 Moscow SEGODNYA in Russian 16 Jan 96 p 2

[Analysis by Mikhail Leontyev: "Dudayev's Third Salvation"]

[FBIS Translated Text] Three seemingly unrelated events have occurred in succession: On 26 December 1995 Mr. Grachev issued Defense Ministry Order No. 070 "On Improving the Command and Control of Troops/Forces;" then a large group of peaceful intellectuals published the well known letter demanding "an end to the war in Chechnya;" and finally, Raduyev's gang raided Dagestan with the consequences that are known for today.

I am venturing to say that these events are directly interrelated. This interrelation lies in the nature of actions by the participants in these events. The impression is that the Russian Defense Ministry is led in succession by the IZVESTIYA "signatories" and by Dudayev's bandits and that Raduyev's actions are directed by the Russian Federation Defense Ministry.

First, let me refer to the contents of the Defense Ministry order. Experts believe that it effectively means the destruction of the Airborne Troops as a separate branch of the Armed Forces. Under the order, two airborne divisions (the 7th Novorossiysk Division and the 76th Pskov Division) and four airborne brigades are placed under ground forces command, i.e., territorial military districts. There can be different opinions and views about army reorganization, but it is clear that in this case the intention is in effect to entrust the only combat-worthy units to an incompetent command; what is most important, though, is the happy timing — as though our army had no other problems but to abolish its elite units as a matter of urgency!

The talk to the effect that the paratroops have long not been dropped anywhere with parachutes but have instead performed functions untypical of them sounds unconvincing: Nobody is going to jump with a parachute in Bosnia either, but for some reason it was paratroopers who were sent there. Everybody knows very well that the Paratroops, which constitute 2 percent of the Armed Forces, are used where something really needs to be done — because nobody else can be used.

If you look at the events around Pervomayskoye, the impression is that everything has gone according to a plan whereby there should be no efficient power structures. Except, perhaps, an army of gendarmes for specific sealing-off and checkpoint-manning purposes.

The situation in Pervomayskoye is a classic mix-up, an exact copy of the situation in Mozdok last January, when senior commanders kicked and pulled the ears of subordinate field generals. Again, like a year ago, there is a mass of supervisors in the absence of a responsible commander. One chief orders to blow up a bridge, another commands helicopters, a third commands the special purpose police force, a fourth commands security forces, a fifth commands tanks.... The main purpose of this command and control system is to create a Gypsy-like mutual responsibility system so that under no circumstances can the guilty be found.

The Russian generals received a "gift" from the deranged Raduyev, who chose Dagestan for his terrorist act, and it was quite a reasonable decision to make the Dagestanis themselves conduct negotiations with the terrorists. After all is said and done, they could also have been told to bring things to their logical conclusion: I am sure that Raduyev would not have gotten off lightly. But no, Dudayev had to be saved again and the Russian army brought in.

Raduyev's gang acted on Dudayev's direct orders. Any of Dudayev's formations had to be liquidated on the territory of Chechnya — it makes no difference where to start; the announced "punishment of the terrorists" could and should have been effected in Chechnya, without Dagestani hostages and with minimum losses for Russian soldiers.

Dudayev was saved physically and politically in January in Groznyy and then in July after Budennovsk, when he could have been easily finished off in the mountains. Now he has been saved as a result of this crazy bureaucratic adventure. This is policy. Some elements in the Russian leadership need Dudayev much more than they do the Russian army.

Military command of last year's operation in Groznyy had all the makings of high treason; it was in effect an

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attempt to execute the Russian combined force, putting it in the way of Chechen bullets. The military commanders who issued New Year's orders would be well advised to convince the court of their partial insanity in order to remove suspicions of high treason. When direction of a combat operation falls half way between juvenile infantilism and wheeler-dealer cynicism, "Budennovsks" and "Kizlyars" will be happening every week. And the Russian Paratroops are being disbanded only because it isn't done there to pull the generals' ears. A different schooling.

Hostage Crisis Seen as Turning Point

MK1601122996 Moscow KOMMERSANT-DAILY in Russian 16 Jan 96 p 3

[Report by Ilya Bulavinov: "Winners Need Never Explain. But First, You Must Win"]

[FBIS Translated Text] Six months ago, after the goings-on in Budennovsk and Viktor Chernomyrdin's peace initiatives, peace talks began in Chechnya. If this was a beginning of yet another stage in the Chechen drama, now we can say yesterday marked the end to it. Moreover, yesterday's developments in Pervomayskoye give grounds to suggest that the federal authorities will from now on give preference to methods of resolving the conflict by force, and an escalation of warfare now seems almost inevitable.

No System, No Security

What are the main reasons for what has occurred? Evidently, they cannot be reduced only to the border troops' oversight, let alone the hitherto unknown perfidy of Dudayev. One can obstinately try to prove the advisability of taking some measures or other to protect borders, to fight crime or to reform the military, but the recurrence of a terrorist act involving a mass hostage taking — and that precisely where the appropriate agencies should have expected it to occur — has graphically demonstrated that the country lacks a single system of ensuring national security. Every minister, director, department chief or regiment commander is trying to achieve his own ends, snarling at his neighbors in the meantime. Yet, none of them has any idea as to what should be done if tomorrow is war. Servicemen with various collar tabs on uniforms could not devise a mechanism of joint, coordinated action. It is quite obvious that they would also demonstrate similar effectiveness in the event of outside aggression. Moreover, it is not the personalities of leaders that are at the root of all evil — Chechen rebels managed to reach with equal ease both Budennovsk and Kizlyar.

The Kremlin has so far been so much preoccupied with the problem of the loyalty of its power ministers that it seems to be even satisfied with a situation where each army general is subordinated directly to the president, who appears to be coordinating their activities. But there are no such presidents who would do strategic planning. The authorities have not yet dared to set up a single center that would be given the task to draw up the country's military policy on an all-Russia scale. So, despite a mass of proposals — that the post of "military" deputy prime minister be created; a joint committee of the chiefs of staff of the power agencies be set up; and the functions of coordinator be turned over to the General Staff — none of them has yet been implemented.

Period After Budennovsk — an Error or a Pause?

Boris Yeltsin was swift to put the blame for the Kizlyar terrorist act on his generals. It is plainly evident, however, that the incident was a logical follow-up to actions by political authorities. Having proclaimed the final goal of bringing Chechnya back to Russia's lap, they never made up their mind as to what methods should be given preference in so doing. Having crossed the Rubicon on 11 December 1994, the authorities did not have the nerve to carry the operation to its logical military finale, although servicemen are certain that, last summer, a final crushing defeat of the rebels was only days off. Having stopped combat operations without having destroyed the combat core of the Dudayev forces nor having eliminated the separatist leaders, Moscow has cornered itself yet again. Withdrawing troops and leaving Chechnya to its own devices was no longer possible back on 12 December 1994: Its borders could not be sealed off for both objective, geographical, and subjective reasons — there is no fencing a whole republic with barbed wire and keeping hundreds of thousands of soldiers along its perimeter. On the other hand, you could conduct talks with anybody as long as possible, but you could not turn a blind eye to roaming criminal gangs. It was clear for everybody from the outset that they would fight to the last man. The authorities could not even check the transfer of significant sums of money earmarked for Chechnya's restoration. According to informed sources, their misappropriation started right in Moscow. There are too many indications showing that this happens because of differences inside the Russian political elite. This gives many analysts grounds to hint at special relations between "some people" in Moscow with "some people" in Chechnya — something that makes the endless war in the Caucasus endlessly profitable.

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Will the Authorities Bet on Force?

How realistic is a return to the methods of resolving the Chechen crisis by force at present? On one hand, the situation that has come about after Kizlyar gives Moscow moral grounds to use force to eradicate the rebels in Chechnya. In the current situation, it is realistically possible to win Russian public opinion's support for this step. Presumably, the repetition of actions that were taken last summer with regard to Basayev by the federal authorities would be seen as a display of the authorities' criminal lack of will.

Indirect evidence supporting the force option is Nikolay Yegorov's appointment as chief of the presidential staff — he was one of the key planners of the military intervention of Chechnya in December 1994.

Electoral motives, however, will be even more decisive when a decision on further actions in Chechnya is made. There are nearly no doubts left as to Yeltsin's presidential ambition or his desire to keep this post for another four years. From this point of view, though, the political pros that a show of force can give him may under certain circumstances not outweigh its cons. No doubt, Yeltsin's opponents will do their utmost to discredit any action by the president. Yesterday, the Communists harshly denounced both the assault of Pervomayskoye and the use of force to settle the crisis in general; Yavlinskiy, too, has spoken in favor of withdrawing troops from Chechnya. The Liberal Democratic Party of Russia is the sole backer of the authorities' actions ("Russia Is Our Home" does not count). Yeltsin's benefits from such an alliance are fairly dubious. If skillfully presented accusations of resuming war are added to the exasperation of a considerable part of the people at the authorities' inability to provide for well-being or safety, Yeltsin's prospects as president may become illusory.

It all does not mean, however, that Yeltsin will be guided precisely by these motives. Evidently, no definitive decision has yet been made. After yesterday's closed-door meeting, Boris Yeltsin said that it was difficult to say whether the assault of Pervomayskoye could be seen as a beginning of active combat operations against Dzhokhar Dudayev. Evidently, much will become clear after the specific results of the operation are summed up and casualties among hostages are counted.

Servicemen — both at the Defense Ministry and in the interior troops — still think the six-month peacekeeping effort to have been unjustified. Yet, what may have been said privately has not yet been translated into an official form. There have been no statements from the military on the possible impact of the developments of the past several days on the situation in Chechnya. Pavel Grachev, who usually makes no bones about his views regarding the process of the Chechen settlement and who attended yesterday's meeting with the president, is also careful to keep silent.

An informed source in the presidential staff, who is directly involved in the Chechen settlement, told your KOMMERSANT-DAILY correspondent that he did not think the goings-on to mark a start to a large-scale escalation in the Chechnya crisis. In his view, there is no need to resume combat operation in order to resolve it. According to the source, you cannot but take account of the fact that while last August only 20-25 percent of the Chechen population supported a peaceful settlement of the conflict, by December the figure doubled. He also pointed out that what has happened may not have elicited so unequivocally anti-Dudayev sentiments in both Chechnya and Dagestan. The decision to take Pervomayskoye by assault may cause a growth in anti-Russian sentiments in Dagestan, whereas attributing religious motives to Raduyev's actions and seeing the rebels as martyrs will increase the number of Dudayev's followers, who will reinforce the detachments of die-hard rebels in Chechnya.

Karasin: World United Against Terrorism

LD1601150196 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — The steps being taken by federal forces to free the hostages seized by Chechen gunmen led by Salman Raduyev "are fully in line with the obligations of the state to protect the rights and interest of its citizens and fight terrorism, as well as with the existing international norms," a senior Foreign Ministry official said.

Ministry spokesman Grigoriy Karasin said at a press briefing in Moscow on Tuesday that federal forces launched their operation "only after it became clear that all possibilities to resolve the situation in a bloodless way had been exhausted and only tough coercive measures may give a chance to save the lives of people seized by Dudayev gunmen."

Karasin noted that "the bitter experience democratic countries have accumulated in their fight against terrorism shows that inaction with regard to bandits may lead — and, as we have all seen, has led — to a repetition of such actions in other regions and proliferation of terrorism to the entire territory of the country."

He particularly stressed that the "tragic events in Kizlyar and their continuation in the village of Pervomayskoye became a new confirmation of the lowness and brutality of Dudayev gunmen."

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"What honor or worthy goals can the people fighting against the sick, women, children, the elderly and peaceful unarmed people possibly talk about?" he exclaimed.

"The methods used by Dudayev terrorists, which are growing increasingly barbaric, cannot but prompt an adequate assessment in the civilized world," Karasin said.

He stressed that "as regards terrorism there are no disagreements in the international community. The whole world is convinced that evil must be stopped by the most decisive measures."

Options Seen in Wake of Pervomayskoye

MK1601121096 Moscow NEZAVISIMAYA GAZETA in Russian 16 Jan 96 p 2

[Article by Alan Kasayev under the general headline: "Operation To Free Hostages Carried Out in Pervomayskoye"]

[FBIS Translated Text] Undoubtedly, the driving force behind the actions of the terrorists closely associated with Dudayev in the case of taking hostages in Kizlyar was the desire to extend the source of the conflict to the territory of neighboring Dagestan. In terms of history, religion and psychology, it is a number of non-Turkic ethnic groups that have been the most sympathetic with the Dudayev movement.

Russia's leadership altered the tactics of actions quite rightly trying to neutralize the above tendency by shifting the responsibility for the fate of the hostages to the leadership of Dagestan. As it often happens, the venture did not quite pan out because there emerged contradictions between the true capabilities of the Dagestan leadership and those of the military command of the federal forces in the shape of the Federal Security Service head Mikhail Barsukov. Dagestan proposed to force the terrorists out of the republic into Chechnya through peaceful means — the federal leadership could not permit this. This conflict became resolved through a bloody finale.

You will remember that Dudayev and those around him have made more than one attempt to destabilize the situation in Northern Caucasus. In this case, sad as it is, the consequences may prove the most weighty for both the Northern Caucasus region and the Russian Federation as a whole.

First, this is so because there is an obvious animation of people's movements in Dagestan with the slogans of responsibility of the leadership of Dagestan and the Russian Federation for the death of hostages and for possible future similar acts.

Another possible immediate consequence, not to be objected against in the Kremlin either, is the replacement of the leadership in Dagestan. Yet, there may very well be "overdoing it" to the point of demanding new elections for the State Council of Dagestan and, almost unavoidably, the coming to power of a more or less charismatic figure. We have been able to figure out only one preventive mechanism so far: Ramazan Abdulatipov starting to vigorously criticize the Makhachkala authorities and separate aspects of the Russian policy and an attempt by precisely this figure to take the lead of the opposition movement with the aim to become new head of the Republic of Dagestan.

Third, this is so because we can concurrently see yet another tendency: the worsening of relations between the people of Dagestan and the Dudayevites. It does not very clearly lead to direct confrontation at this point, but this is quite possible should any Dagestani official or public structure opt for consolidation with the aim of punishing the Chechens. Should this structure be the current leadership, this would enable it to prolong its existence but, as a prospect, it may lead to a confrontation with the Russian leadership because the creation of so-called unconstitutional armed formations would be inevitable in this event. Most probably, this may mean even making partially legitimate the already existing detachments.

The Russian leadership is left with a chance of a purely military nature to prevent the conflict from spreading: to immediately start, upon completion of the operation in Pervomayskoye, large-scale combat operations in the regions of Chechnya controlled by the Dudayevites. The most obvious consequence in this event will be a postponement of Russia's admission to the Council of Europe.

Should a military solution be preferred, it will be obviously supported by a majority of the Russian public, including the inhabitants of the Northern Caucasus republics. Any dragging out of the operation may lead not so much to activating an antiwar movement in Russia itself as to uniting the forces opposed to the country's current leadership under the banner of reforming the military and the power ministries.

Dagestan Boycotts Last Federation Council Session

LD1501083996 Moscow Radio Rossii Network in Russian 0800 GMT 15 Jan 96

[FBIS Translated Text] The Federation Council has just received a telegram from Magomedali Magomedov, chairman of the Supreme Council of Dagestan. It says, among other things, that the well-known tragic events in Dagestan make it impossible for delegates from

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Dagestan to take part in the last session of the old Federation Council [scheduled for 15 January]. The continued blockade of Pervomayskoye village, where the hostages are held, is becoming a dangerous factor.

The sucking of the republic into this conflict could give rise to anti-Russian sentiment which is not characteristic of Dagestanis. The development of events in this direction is intolerable. The terrorists must be destroyed — that is indisputable — but not at the cost of the hostages' lives.

We request that you ask Russian President Boris Yeltsin to take urgent measures to release the hostages without bloodshed, for the situation could get out of control at any moment, the telegram from the head of the Dagestan Supreme Council stresses.

Yeltsin Views Hostage Situation, Presidential Elections

LD1501194896

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1725 GMT on 15 January, carries the 10-minute "Details" program hosted by Nikolay Svanidze, who deals with the hostage crisis in the Dagestani village of Pervomayskoye. Svanidze holds a studio discussion with Yegor Gaydar about the events. This is interspersed with excerpts from an interview given to correspondents earlier in the day by Russian President Boris Yeltsin. The following represents the text of the excerpts broadcast:

[Yeltsin] "The operation was very carefully prepared. For example, if there are 38 snipers, each sniper has a target and he will keep this target in his sight all the time, if the target moves his eyes move, all the time, like that. And all the other issues: how to lay a smokescreen in the streets, how to give the hostages a chance to escape; a smokescreen is released in the streets and they run out of the town and when they are scattered over a wide area it is difficult to kill them."

[Correspondent] "Boris Nikolayevich, can today's operation be seen as the beginning of military action against Dudayev?

[Yeltsin] It will not be an ongoing operation because taking previous errors into account, such very detailed preparation for this operation will bring results and it will of course bring significantly fewer losses, significantly fewer. I cannot say that it will not produce any losses because they started shooting the hostages beforehand, on Dudayev's command. But there will be significantly fewer. Time is needed for preparation. And where Dudayev's detachments have grouped and our intelligence has reports that there are Dudayev detachments there and there is no civilian population there, they must be..." [video returns to studio]

[Yeltsin] "A headquarters has been organized for the presidential elections. An all-Russian headquarters, and Oleg Nikolayevich Soskovets, the first deputy prime minister of the government, has been appointed to head it.

[Correspondent] "Will he be dismissed?

[Yeltsin] "He will be partially dismissed because that will make it easier for him to work with the ministries and departments. So he will be given reinforcement to work for me. And he will put everything into it. And he will probably have to work 20 hours a day, if not 24. Filatov will be his deputy. He knows Russia, he knows the president, knows the presidential service, knows journalists, knows the intelligentsia very well, and has contact with it."

Yeltsin To Decide on Presidential Bid 12-15 Feb

LD1501175996 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — Russian President Boris Yeltsin told journalists in the Kremlin today that he would announce his decision on whether to run or not to run for the presidency on February 12-15.

"My decision may be positive but not necessarily. I am still thinking," Yeltsin said.

Yeltsin told an INTERFAX reporter that Russian First Deputy Prime Minister Oleg Soskovets would be named to head the all-Russian headquarters for organizing the presidential elections. "He will be relieved from half of his work in the government. He will be provided assistance for work in the government while in the headquarters he will have to work at a maximum. There, it will be necessary to work if not for 24 hours a day, then at least for 20 hours a day," Yeltsin said.

"We have sent Sergey Filatov to Soskovets as his deputy," Yeltsin said. Filatov is "a person who knows Russia, the president, presidential services, journalists and maintains good contacts with intelligentsia," Yeltsin said.

"When I told Soskovets that Filatov would be his deputy, Oleg Nikolayevich (Soskovets) was very happy, thinking this is a good combination," Yeltsin said.

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Candidates' Supporter Groups Registered

LD1501204596 Moscow INTERFAX in English 1907 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The Russian Central Electoral Commission on Monday registered seven groups of supporters for presidential candidates.

These candidates include Boris Yeltsin, the incumbent president; Gennadiy Zyuganov, the leader of the Communist Party of the Russian Federation; Viktor Anpilov, described as editor-in-chief of the MOLNIYA newspaper; Amangeldiy Tuleyev, chairman of the Kemerovo regional legislature; Andrey Volkov, temporarily unemployed; Konstantin Borovoy, chairman of the Economic Freedom Party; and Valeriy Popov, director general of the Earth scientific center.

A total of 17 support groups have been registered.

Once registered, the group has a right to start collecting the required one million signatures in support of its candidate for the presidency.

Yeltsin Criticizes Staff; Appoints New Chief of Staff

LD1501174796 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — Russian President Boris Yeltsin at a meeting Monday introduced his new chief of staff to heads of presidential departments, at the same time expressing dissatisfaction with staff performance because it lacked thrust and vigor.

Yeltsin introduced his new chief of staff, Nikolay Yegorov, whom he described as an experienced, albeit young, man who us knowledgeable and can deal with the people and have the work done.

He said former chief of staff Sergey Filatov will take up management of the national headquarters in charge of laying the groundwork for the presidential elections, the presidential press service reported.

Yeltsin said at the meeting that Filatov fits his new job because he knows the president and his headquarters, is well-versed in electoral campaigning and carries weight in all strata of society. Filatov could not efficiently combine his new job with its high work load and the old job, Yeltsin said.

He said the supervision of compliance with his decrees and orders has weakened. Yeltsin called on all the personnel to be self-critical of their work and to be tenacious and creative.

Yeltsin told Yegorov that the personnel of the headquarters has to be reduced but this should be done intelligently so that professionals who are good at the job should stay.

Yeltsin repeated that he had not made up his mind about running for the presidency again. "I said only that this is possible," he said.

New Chief of Staff Yegorov Interviewed

MM1601100496 Moscow ROSSIYSKIYE VESTI in Russian 16 Jan 96 p 1

[ROSSIYSKIYE VESTI interview with Nikolay Yegorov, chief of the Russian Federation President's Staff; place and date not given: "Nikolay Yegorov: The Traditions of High Professionalism and Selfless Service of the Motherland Will be Further Developed in the Russian Federation President's Staff. The Chief of the Russian Federation President's Staff Has Given His First Interview to ROSSIYSKIYE VESTI"]

[FBIS Translated Text] [ROSSIYSKIYE VESTI] How do you see the presidential staff's role today in the president's exercise of his constitutional powers and in mutual relations with the apparatus of the other branches of state power?

[Yegorov] I do not think it necessary to make any "inaugural speeches" when entering office as chief of the Russian Federation President's Staff and anyway there is no time for such speeches.

Russia is a multiethnic country, a huge country. History has shown that the very existence of our peoples is impossible without a strong state power. That fact is also reflected in the Russian Federation's new Constitution. It gave the president broad powers in ensuring civil rights and freedoms and in protecting the Russian Federation's state integrity and independence. It is the president who is called on to determine the basic guidelines of the Russian state's domestic and foreign policy and ensure constructive interaction among all the organs of state power — the executive, the legislature, and the judiciary. The duty of the President's Staff is to assist him in that. The clear realization of that task, I believe, must form the basis of the content of the Russian Federation President's Staff's work and be built into its very structure.

The country has completed the complex and crucial stage of democratic elections to the State Duma. They revealed the somewhat new correlation of political forces in the country and people's desire to give our domestic policy greater dynamism and a social thrust. Furthermore, foreign policy could be more active in

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defense of the fundamental Russian state interests on which our people's security and prosperity depend.

The presidential elections are approaching. They will require better organized and better coordinated work between the Russian Federation President's Staff and the apparatuses of the other federal organs of power.

In short, while preserving and consistently continuing the policy of economic reforms and the further democratization of social life there must also be changes. It is important that they be implemented in conditions of political stability, order, and the strict observance of the constitutional rule of law. This will be possible only if the traditions of high professionalism and honest and selfless service of the motherland are continued and further developed at all levels of state power and particularly in the Russian Federation President's Staff.

Yeltsin Notes Soskovets, Filatov Switch

LD1501131596 Moscow ITAR-TASS in English 1253 GMT 15 Jan 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, January 15 (ITAR-TASS) — "An All-Russian headquarters on presidential elections" was set up. First vice-Premier Oleg Soskovets was appointed its head, ITAR-TASS learnt from President Boris Yeltsin in the Kremlin on Monday.

The Russian leader noted that Soskovets will be "partially relieved of his present duties. Sergey Filatov, the former head of the president's staff, will become deputy of the headquarters' chief.

Yeltsin noted that "the headquarters is engaged in preparatory work and is not linked with any specific name". The president continues to ponder whether he should run for the second term or not.

"It is possible but not mandatory. I am still thinking and will express my opinion between February 12 and 15," the Russian chief executive stressed.

Communists Consider No-Confidence Motion in Government

LD1501141796 Moscow INTERFAX in English 1323 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The Communist faction in Russia's new State Duma is considering "several versions of a motion of no-confidence in the government in connection with the recent events in the North Caucasus," a high-ranking Communist Party member said.

"The moral [illegible]thical responsibility of the federal authorities for the events in the North Caucasus has increased immensely after they lost the parliamentary elections," Communist Party deputy chairman Aleksandr Shabanov said at a news conference in Moscow on Monday.

He believes that the communist-era score-settling in the Kremlin and the use of force will not solve the Chechen issue. "It should be solved by political methods. To do so we need to find the chief coordinator and regulator of the Chechen conflict located in Moscow," he said.

The press conference was not attended by Communist Party leader Gennadiy Zyuganov who, as Shabanov said, was having consultations with the leaders of the factions of the Liberal Democratic Party, Our Home Is Russia and Yabloko on the distribution of portfolios in the Duma.

On Monday, the consultations were joined by Artur Chilingarov, Sergey Baburin and Nikolay Kharitonov, the leaders of three deputy groups which are being created in the new Duma.

Anatoliy Lukyanov, one of the leaders of the Communist faction in the lower house of parliament and the former Soviet parliament speaker, who also took part in the press conference, noted that the assault that the federal forces have launched in the Dagestani village of Pervomayskoye, where Chechen gunmen are holding about 100 hostages, is a "terrible mistake which will have negative consequences for the entire presidential campaign."

Zhirinovskiy Withdraws From Duma Speaker Vote

LD1601121096 Moscow ITAR-TASS in English 1202 GMT 16 Jan 96

[By ITAR-TASS correspondent Igor Zhukov]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — The State Duma continues debates on candidatures to the post of the Duma speaker. Leader of the LDPR [Liberal Democratic Party of Russia] faction Vladimir Zhirinovskiy has withdrawn from the vote, saying that he does not intend to waste time on organizational issues, but prefers to concentrate on the presidential elections due in June, 1996.

Three candidates to the post of the Duma speaker have been put on secret ballot, including Gennadiy Seleznev representing the Communist Party of the Russian Federation, Vladimir Lukin from the "Yabloko" faction and Ivan Rybkin nominated as an independent candidate.

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Chubays, Premier Discuss 'Possible Resignation'

LD1601140596 Moscow ITAR-TASS in English 1345 GMT 16 Jan 96

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — First vice premier Anatoliy Chubays, the architect of Russian privatization, on Tuesday discussed his possible resignation with Prime Minister Viktor Chernomyrdin, a source in the government told ITAR-TASS.

An official statement about Chubays's resignation is expected later in the evening, the source said, adding that it was not clear whether the resignation would be accepted by the premier.

Media Issues

Yeltsin Message Urges 'Support' for Mass Media

MM1601094296 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 1

[Unattributed Report: "The Quality of Democracy Is Measured By the Press"]

[FBIS Translated Text] Russian Federation President Boris Yeltsin has sent congratulations to employees of the Russian mass media on the occasion of their professional holiday — Russian Press Day.

"Radio, television, and the press have a significant influence on the course of political, economic, and social processes," the congratulatory message runs. "The press remains an important engine of reform and a monitoring instrument which measures the quality of democratic transformations. It is highly necessary that the mass media promote the creation of an atmosphere of civil accord and cooperation in Russia and endeavor to meet the high professional and moral yardsticks by which they [themselves] judge events."

"In the difficult transitional period that the country is going through the mass media need special support and attention. Major, long-term decisions have recently been adopted to strengthen the legal and economic basis of the Russian mass media's activity. Now our common task is to see that these laws work," the message says.

Space Issues

First Stage of Alpha Space Station Repaired

LD1501182996 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The Khrunichev Space Research and Production Center has repaired the functional cargo unit, the first stage of the international space station Alpha, a center spokesman told INTERFAX Monday. The unit had been damaged during hermetic testing on December 9, 1995.

The damaged section of the unit's hermetic shell was fully replaced, the spokesman said. According to preliminary information, the Khrunichev center and Boeing, the general contractor of the unit, will test the unit again next month.

The accident will not affect the project schedule in any way, the spokesman said. The unit will be submitted to Boeing on April 15, 1996, as envisioned by the contract, he added. Russia's Proton booster will take the unit to the orbit in late November 1997.

Boeing is the general contractor of the first stage of Alpha under a relevant contract signed with the Khrunichev center last August and worth $190 million.

Mir Cosmonauts Continue Research, Experiments

LD1601125396 Moscow ITAR-TASS in English 1218 GMT 16 Jan 96

[FBIS Transcribed Text] Mission Control Centre, January 16 (ITAR-TASS) — The cosmonauts of the 20th main space expedition continue to work on board the orbital research complex Mir.

Following the finalisation of work to hearmetically seal one of the manifolds of the thermal regulation system on the Quontum module, the cosmonauts are to be refill the cooling loop with coolant, brought to orbit by the Progress M-30 supply spacecraft.

Under the EuroMir programme, the cosmonauts are to perform yet another experiment to study the peculiarities of the melting and crystallisation of various metals in microgravitation conditions.

The programme of the day also includes astrophysical and technical experiments and medical research. According to medical monitoring data, Yuriy Gidzenko, Sergey Avdeyev and Thomas Reiter are in good health and are feeling well.

Federal Assembly

Communists Seek To Chair Duma Committees

LD1301174696 Moscow INTERFAX in English 1713 GMT 13 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 13 (Interfax) — The faction of the Communist Party of Russia (KPRF) in the State Duma plans to propose its candidates chair seven or eight leading parliamentary committees, former Duma deputy speaker Gennadiy Seleznyov told journalists after a faction meeting Saturday [13 January].

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According to Seleznyov, the communists will claim the committees for privatization, economic policy, education, science and culture. In addition, the faction will propose Anatoliy Lukyanov as head of the committee for legislation and Viktor Zorkaltsev as that of the committee for relations with public associations and religious organizations.

Seleznyov said the faction had decided to propose the Duma committees for defense and security be merged in one and headed by Viktor Ilyukhin, the former chairman of the security committee.

The faction was split over the budget committee, Seleznyov said. Some deputies wanted to nominate a communist candidate to head the committee, while others said it could be left with the Yabloko faction, but reinforced with communist activists to better influence its work.

The communist faction is ready to agree that a representative of Nikolay Ryzhkov's deputies group will head the committee for CIS affairs, if such a group is created, he added.

Seleznyov said the communist faction could assist the formation of an agrarian deputies' group, provided communist deputies will pass to the agrarians "not voluntarily, but on the mission to pursue the communist policy there."

The faction meeting did not discuss possible candidates for the post of parliamentary chairman, Seleznyov said.

As has already been reported, a plenary meeting of the KPRF Central Executive Committee had recommended three candidates to the post, including Seleznyov himself, KPRF Deputy Chairman Valentin Kuptsov and former Federation Council deputy Leonid Ivanchenko.

"Discussing candidates for the post of Duma chairman with the leaders of the other three factions Sunday, Gennadiy Zyuganov will be able to freely speak of what kind of candidates the communists have," Seleznyov said.

To Head 12 Committees

LD1501180696 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1730 GMT 15 Jan 96

[FBIS Translated Text] Deputies elected from the Communist Party of the Russian Federation will receive 12 places as heads of committees of the 6th State Duma, Irina Khakamada, leader of the Common Cause movement, told Moscow Echo radio station.

She said that "this information was received at the latest consultations, which are still continuing."

Duma Faction Leaders Talks Continue on Posts

LD1501181296 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (Interfax) - The talks between Russian State Duma faction leaders on the distribution of parliamentary posts, including the post of Duma chairman, are to be continued on Monday [15 January] evening, our parliamentary correspondent reports.

No noticeable progress has been made so far during the consultations between the faction leaders of the Communist Party, Yabloko, the Liberal Democratic Party of Russia (LDPR) and Our Home is Russia, participants in the talks told journalists. They also refused to make any comments before the end of the talks.

Leader of the Communist Party Gennadiy Zyuganov believes, however, that the talks have highlighted the positions of the participants, first of all Our Home is Russia, "which puts forward new terms each time, destroying the package approach." He noted, however, that the participants in the talks are demonstrating patience, and hope they will manage to shape a package of candidates to the posts of Duma chairman and its deputies, and leaders of all committees, and vote for all of them at one go.

The best way would be to vote for the candidates on one day and allow the committees to work tranquilly, said Zyuganov.

Controversy Over Leadership Noted

LD1501203596 Moscow INTERFAX in English 1907 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (Interfax) - Chairman of the Our Home Is Russia (NDR) faction Sergey Belyayev left last Sunday's [14 January] consultations with the other three leaders of State Duma factions because of the impossibility of finding a common language with Communist leader Gennadiy Zyuganov, an NDR source told Interfax.

Zyuganov basically proposed "forming the Duma leadership according to the dictate of the Communists," he added.

Leader of the Liberal Democratic Party of Russia (LDPR) Vladimir Zhirinovskiy followed Belyayev's suit 10 minutes later, Interfax learned.

Belyayev reported the incident to an NDR faction meeting Monday, saying one faction must not control all key posts in the new Duma.

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In particular, the Communists claim the posts of Duma chairman and one deputy chairman, neglecting the democratic election procedure. They also link the election of a Communist speaker with the distribution of the key posts in the parliamentary committees.

"Since its very first day, the State Duma will start to work under heavy political pressure from the Communist Party of Russia, resembling the Politburo times," he added.

In addition, the rights of independent deputies and deputies' groups will be violated by the election of a speaker by the four factions, Belyayev said.

After Belyayev and Zhirinovskiy left, Zyuganov and Yabloko leader Grigoriy Yavlinskiy continued the consultations.

Newly Elected State Duma Meets in First Session

LD1601095396 Moscow ITAR-TASS in English 0811 GMT 16 Jan 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, January 16 (Itar-Tass) — The newly elected State Duma has met in first session today. On the agenda of the first session is a candidature of the Duma speaker and other organizational issues.

In accordance with the Constitution the newly elected State Duma meets in plenary session 30 days after the parliamentary elections held on December 17.

A temporary organizing commission has asked the oldest lawmaker of the new Duma to open the first session. This is 73-year old Grigoriy Galaziy, an academician from Irkutsk who was elected to the State Duma on the "Our Home is Russia" federal ticket. Apart from Galaziy, the temporary commission has appointed three deputy speakers who will alternatively chair Duma sessions until its new chairman is elected. The deputy speakers are: Valentin Varennikov from the Communist faction, Viktor Vishnyakov from the LDP and Viktor Sheynis from "Yabloko".

The main debates at the first plenary session are expected to focus on the candidature of the Speaker. Leaders of the main factions who won the majority of votes in the elections, Gennadiy Zyuganov, Vladimir Zhirinovskiy, Sergey Belyayev and Grigoriy Yavlinskiy, held consultations on organisations issues and in particular, the candidature of the Speaker but failed to reach accord. In all probability, the lawmakers will be offered candidatures to Duma key posts from different factions.

The Communist faction which won in the elections insists on its own candidate to the post of the Speaker. However, Sergey Belyayev, leader of the "Our Home is Russia" bloc, told journalists that his faction intends to offer an independent candidate to the post of the Speaker and would insist on voting by secret ballot.

Commenting on the consultations, Gennadiy Zyuganov said the communists might decide on the candidate of the Duma speaker by simple majority vote, adding that this was not the best option in the formation of head bodies of the chamber.

Opening the session, Grigoriy Galaziy read out a message of greeting sent by Russian President Boris Yeltsin to the new Duma.

The newly elected State Duma consists of 457 lawmakers elected on a federal ticket and from single-mandate constituencies. The biggest number of mandates (157) belongs to the Communist Party of the Russian Federation, 55 mandates — to the "Our Home is Russia" bloc, 51 mandates — to the Liberal Democratic party and 45 — to "Yabloko."

Apart from organizational issues, the lawmakers will discuss the situation in Chechnya.

Yeltsin Greets New MP's

LD1601101296 Moscow ITAR-TASS in English 0841 GMT 16 Jan 96

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, January 16 (Itar-Tass) — President Boris Yeltsin today congratulated members of the new State Duma on their election and wished them success in their work. He noted the importance of ensuring continuity in the work of the Lower House of the Parliament.

The President's message of greetings was read out to the first meeting of the Duma by its oldest member Grigoriy Galaziy from the "Russia is Our Home" faction.

The President's message notes that the election of the Duma of the second convocation puts an end to the transitional period in the development of Russian parliamentarism, lays the beginning for the normal 4-year cycle of the Lower House's work. The President believes that the previous State Duma had left a good legacy for the present MPs. The main achievement of the previous Duma, Yeltsin pointed out, was the establishment of interaction between the authorities in the creation of a mechanism for adopting agreed decisions. "I hope that the new members of the State Duma will be able to continue and further promote the traditions of responsible dialogue and of finding compromises in making decisions," the message says.

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Yeltsin particularly stressed the importance of ensuring continuity in the State Duma's work, because many things begun by the predecessors of the present mps should, in his opinion, be continued tomorrow, too. "I do not doubt that you will realise full well your special responsibility for the normal functioning of the mechanism of Russian statehood," President Yeltsin stressed in his address to the parliamentarians.

Yabloko: No Confidence in Yeltsin, Chernomyrdin

LD1601144896 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (Interfax) — The Yabloko faction in the Russian Duma led by Grigoriy Yavlinskiy circulated a statement Tuesday [16 January] which reaffirms its position of no-confidence in the president and government, as well as its pledge to have them removed from power by constitutional means.

"One more bloody tragedy has occurred during the criminal war in the North Caucasus, unleashed by President Yeltsin and Dzhokhar Dudayev," says the document.

"We mourn over the Dagestani civilians and Russian servicemen who were killed during those tragic events. The events in Kizlyar, the responsibility for which has been claimed by Dudayev, have marked Dudayev's political death. Not only Dagestanis, but the entire population of the North Caucasus have realized that for the sake of attaining political goals the Dudayev men will spare neither women nor children," says Yabloko's statement.

"The federal authorities have demonstrated the obvious: They are incapable of running the country; Yeltsin's and Chernomyrdin's moves and inactivity are equally dangerous for the state," says the document.

Shumeyko Not To Take 'Any' Government Position

LD1501181496 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (Interfax) — Federation Council Chairman Vladimir Shumeyko said Monday [15 January] he will not take up any governmental position and will concentrate instead on work in the Reform - a New Course movement which he has chaired since last December.

He spoke at the end of the last session of the Federation Council which he has chaired since its formation in December 1993.

Shumeyko said that the recent parliamentary elections will be followed by others and that he is strong enough for political struggle.

Reforms - a New Course calls for largely changing the reform course, he recalled. "For this reason I cannot take any position in the executive or any other branch of power and simultaneously criticize what is going on," he said.

The movement's ruling body will discuss at its meeting on January 25 the proposals about changing the reform course that would be sent to Russian President Boris Yeltsin for inclusion in his annual message to the Federal Assembly. "We are a presidential republic and the president alone can amend the course. If the presidential message describes the criteria for amending the course in no uncertain terms and the government composition is changed accordingly, the course will be amended," Shumeyko said.

The movement, he added, will call on other political groups to support these proposals.

"If President Boris Yeltsin accepts these proposals, the movement's congress will consider supporting him in the forthcoming elections if he runs for presidency," Shumeyko said. "If he does not run or support these demands, we will look for other candidates," Shumeyko explained.

Council Discusses Pervomayskoye Situation

LD1501114496 Moscow INTERFAX in English 1038 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (Interfax) — The Federation Council, the upper house of Russia's parliament, began its last, 34th, session on Monday [15 January] with a discussion of the situation in the Dagestani village of Pervomayskoye where federal forces have begun an assault on the Chechen gunmen who are holding about 100 hostages.

In his opening remarks, Council speaker Vladimir Shumeyko pointed out that he "has no full information about what is going on in Pervomayskoye at the moment."

However, Ingush President Ruslan Aushev stressed the need to "take urgent measures with regard to Chechnya."

There are seven bills on the session's agenda, including a draft law on the basic principles of municipal service in Russia, as well as bills amending the federal laws on the status of the deputies of the Federation Council, the status of the deputies of the State Duma, and on an early termination of the mandates of the Council deputies in

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connection with their election to the lower house of parliament.

Shumeyko noted that the Federation Council has worked "fruitfully and done a good job." The senators considered 449 bills and adopted 224 of them, he added.

He believes that the new Council "should take into account our mistakes."

Urges More Spending on Antiterrorism

LD1501123696 Moscow ITAR-TASS in English 1225 GMT 15 Jan 96

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, January 15 (Itar-Tass) — The Federation Council, the Upper House of the Russian parliament, on Monday [15 January] passed a resolution urging the government to increase spending on fight against terrorism and unlawful armed formations.

The MPs suggest that the government introduce appropriate amendments to the law on this year's budget and bring them up for discussion in parliament before February 1.

The resolution suggests in particular that expenditure be augmented on the maintenance of border troops and border guarding agencies up to 1,700,000 million roubles and that on the activities of the Anti-Terrorism Centre of the Federal Security Service FSB up to 540,000 million roubles. The MPs also consider it necessary to increase expenditure on the money allowances for servicemen and personnel of interior agencies.

In another development, Federation Council members, following a prolonged and heated discussion on Monday, did not take any specific decision on the hostage drama developments in Dagestan.

Speakers during the discussion expressed an opinion that the MPs, who have failed to achieve a fundamental change for the better in the situation, are also to blame for the current developments in the North Caucasus and that new-composition Upper House of the Russian parliament "should bring the developments under control".

Approves Economic Law for Ingushetia

LD1501223496 Moscow ITAR-TASS World Service in Russian 1537 GMT 15 Jan 96

[By ITAR-TASS business correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 15 Jan — The Federation Council today approved a law "On the Ingushetia international business center." It was adopted because of the difficult socio-economic situation in the republic. When Checheno-Ingushetia was split into two constituent parts, Ingushetia gained only a paltry share of the industrial potential, infrastructure, and public buildings. The situation worsened in connection with the influx of refugees from Ossetia and Chechnya.

The aim of the law is to make "a civilian economy more advantageous than conducting war." It will enable the level of subsidies to the republic to be reduced in the long term and new mechanisms to be worked out to resolve the socio-economic problems without public finance.

Parliamentarians rejected the law "On state social insurance" sent to them by the State Duma. In their opinion there are a number of fundamental objections to be made to this act in connection with the absence of the concept of state social insurance in the country. The negative conclusions of the government and the federation of independent trade unions were also taken into account. Several other laws were also rejected as having had insufficient work done on them.

Moreover, Federation Council deputies followed the State Duma in making amendments to the law on the status of deputies to the Federation Council and the status of deputies to the State Duma. This amendment envisages granting parliamentarians medical, domestic, and pensions provision "under conditions set for members of the Russian Federation government." This law was adopted without discussion.

The powers of the supreme chamber of parliament will cease when the new Federation Council begins work. Its first session is planned for 23 January.

Regional Affairs

Yeltsin, Chernomyrdin Discuss Hostage Crisis

LD1601145396 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text]MOSCOW, Jan 16 (INTERFAX) — Russian President Boris Yeltsin at a weekly meeting with Prime Minister Viktor Chernomyrdin in the Kremlin Tuesday discussed liberation of hostages in the Dagestani village of Pervomayskoye, the situation in Chechnya, and a number of current socioeconomic problems.

Yeltsin voiced several sharp remarks due to the ongoing practice of out of time payment of wages and pensions, well-informed sources told INTERFAX. The president urged to immediately cover the debt to the population from the budget.

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According to the sources, the president and prime minister also discussed staff issues.

Yeltsin on Decision To Begin Pervomayskoye Operation

OW1601060496 Moscow Russian Television and Dubl Networks in Russian 0000 GMT 16 Jan 96

[By station reporter Sergey Vozianov; from the "Vesti" newscast]

[FBIS Translated Text] On 16 January, Boris Yeltsin held a closed meeting at which the situation surrounding the release of the hostages seized by Dudayev's fighters in Kizlyar was discussed. Later, the president spoke with journalists. [video cuts to show Yeltsin in a dark coat and tie and fur hat talking to a group of reporters]

[Begin Yeltsin recording] The talks continued for six days straight. Generally, they were persistent, and warnings were made, and so on and so forth.

No! And nothing more. No! And nothing more. We will not release the hostages. Finally when Dudayev himself clarified that this was being done under his instructions — that it was he who was planning these terrorist actions, that he is in command of them — he revealed his true colors. In actual fact, he is a bandit and is in command of this bandit army of his. He is the number one terrorist and measures must be taken against him, as should be taken against any terrorist or terrorist leader.

A warning was made at seven in the morning [1300 GMT] — release the hostages; make use of this last chance. The response was gunfire. [video briefly shows Kremlin clock tower with time reading ten past three] After that moment, the order to commence the operation was given. The operation was very carefully prepared. [video shows Yeltsin, cuts to new angle showing snow covered garden in the background] This very detailed preparation for the operation will give results. It will result in significantly less losses. [end recording]

Yeltsin Comments on Hostage Crisis

LD1501133396 Moscow ITAR-TASS in English 1319 GMT 15 Jan 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW January 15 — President Boris Yeltsin said the attack on Chechen terrorists in Pervomayskoye was launched as the hostage-takers refused to free those captured and branded Chechen separatist leader Dzhokhar Dudayev as "the very chief terrorist".

"We want that the terrorists be punished and rooted out from the Chechen soil", he told reporters on Monday adding that "measures should be taken to [Dudayev] as to the leader of terrorists".

"Dudayev himself said that everything was being done upon his instructions and that he himself planned such actions". "Dudayev himself exposed who he is in reality — a bandit, the very chief terrorist", the president added.

The terrorists under the command of Salman Raduyev, who are keeping some 100 hostages in Pervomayskoye, are, according to Yeltsin, "criminals, mercenaries from Pakistan and Iran, professionally trained bandits-fanatics".

The president estimated the number of hostages as less than 100.

Yeltsin said the patience was almost exhausted yet on Sunday. He described the Monday events as follows:

"Two warnings were made this morning — at 7 o'clock to free the hostages and use their last chance. Shots came in response. By 8 o'clock a truck with a loudspeaker advanced so that everyone could hear, and not only the leaders [of terrorists]. "No" was the response. Then came Dudayev's message to shoot the hostages. The car [with Security Minister Mikhail Barsukov] was fired at from a mortar, but missed. From that moment the command to launch the operation was issued. It is very well planned, there are 38 snipers and each of them has his own target. If it moves, he follows it. The streets were covered with smoke so that to give the hostages a possibility to flee".

Yeltsin said it was difficult to predict at the moment whether the operation will develop into combat activities against Dudayev's troops. But he stressed that "the latest provocation of Dudayev's militants cannot be left unpunished. This will not be tolerated in any civilised state", he said.

The president said he was being updated on the developments in Pervomayskoye every hour. He admitted that the hostage drama could take place in general because of a mistake of the military.

"We began as always with a mistake and allowed the bandits of Raduyev to Kizlyar, through checkpoints and the border. I gave a very tough assessment to the generals for such irresponsibility, although I could use ruder words about their inaction. They made the conclusions and drafted the plan of actions in detail and talks where in the first place. The first stage went well — the Kizlyar hospital was freed". But then the terrorists began to "deceive" authorities and did not free the hostages, according to Yeltsin.

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Yeltsin on 15 Jan Operation To Free Hostages

LD1501125896 Moscow ITAR-TASS in English 1245 GMT 15 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW January 15 (ITAR-TASS) — President Boris Yeltsin hopes the hostage-freeing operation in the Dagestani village of Pervomayskoye will be over today and will result in few losses among civilians.

"The operation was very well prepared" which gives hope that "it will result in considerably fewer losses", Yeltsin told Tass on Monday expressing the hope that the operation "will be completed already today".

When it becomes clear that all the civilians have abandoned Pervomayskoye, "they (terrorists) should be eliminated", the president said.

Sources Cited on 'Bloody Showdown' in Pervomayskoye

MM1501164296 Moscow IZVESTIYA in Russian 16 Jan 96 pp 1, 2

[Unattributed report: "Bloody Showdown in Pervomayskoye. Bandits and Hostages Under Fire"]

[FBIS Translated Excerpt] After almost one week of confrontation with the Chechen terrorist gang headed by Raduyev, who took and detained over 100 hostages in Kizlyar in Dagestan 9 January before taking them to the village of Pervomayskoye, the showdown began Monday 15 January.

At 0910 hours federal forces began the operation to release the hostages, IZVESTIYA correspondent Yuriy Senatorov was told by Aleksandr Zdanovich, first deputy chief of the Russian Federal Security Service [FSB] Public Relations Center.

According to the FSB spokesman, the operation "became inevitable after the gunmen fired on the federal forces' positions yesterday and today and after Raduyev's instruction to begin shooting the hostages was intercepted this morning." Given that the instruction issued by the gunmen's leadership told the terrorists to "prepare for the worst and regard themselves as a suicide squad," it has been absolutely clear to the federal forces' operations staff that the wholesale shooting of the hostages could begin at any moment, Aleksandr Zdanovich told an ITAR-TASS correspondent.

"All possible measures to achieve a peaceful solution to the situation have been exhausted," the Russian FSB Public Relations Center's statement issued to the IZVESTIYA editorial office says.

Zdanovich explained to IZVESTIYA that FSB Director M. Barsukov's decision to take firm action was to a considerable extent predetermined by the information received from the nighttime radio intercept of Salman Raduyev's conversation with Dzhokhar Dudayev and also after it came to light that the bandits had begun shooting hostages. "Despite that," the Russian Federation FSB spokesman said, "Mikhail Barsukov decided nevertheless to make contact with Raduyev at 0850 hours and reiterate his ultimatum — release the hostages and surrender your weapons — and he assumed personal responsibility for the security of Raduyev's men as far as the border with Chechnya." There, as we know, Raduyev's "wolves" were to come under the jurisdiction of Zavgayev's commission which, according to the president's edict, is authorized to investigate and make a decision on each terrorist individually.

The terrorists refused to speak with Barsukov and it was only then, 20 minutes later, that the operation began. [passage omitted]

Doctors from the "Zashchita" All-Russia Center for Disaster Medicine have set up a mobile multipurpose autonomous field hospital near the Dagestani settlement of Aksay, close to Pervomayskoye village.

As IZVESTIYA correspondent Svetlana Galkina was told at the Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters, nine teams of doctors have arrived to help the casualties of the operation. The "Zashchita" group of specialists includes 18 physicians, mainly surgeons, anesthetists, and pediatricians. The hospital is provided with special medical equipment as well as all the necessary medicines. All the "Zashchita" staffers, who are under the direction of hospital chief Oleg Geveling, have considerable experience of work in such "hot" conditions. They have experience of Groznyy, Neftegorsk, and Budennovsk.

According to information from the duty officer at the "Zashchita" All-Russia Center for Disaster Medicine's operations staff, by 1400 hours Moscow time the wounded had still not been removed from the battle area since the hostage-release operation began. [passage omitted]

Meanwhile, at the FSB Public Relations Center Aleksandr Zdanovich said that the claim made by Movladi Udugov, leader of Dudayev's information service, and disseminated by some of the mass media that there has been a considerable number of civilian casualties as a result of the Pervomayskoye operation "does not correspond to the facts." [passage omitted]

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IZVESTIYA Reports From Pervomayskoye 13 Jan

MM1201201996 Moscow IZVESTIYA in Russian 13 Jan 96 p 1

[Report by IZVESTIYA special correspondent Valeriy Yakov: "Dudayev's Order: 'More Women Than Men Must Die'"]

[FBIS Translated Text] Pervomayskoye, Dagestan — During the morning of 12 January the situation in Pervomayskoye remained practically unchanged: The terrorists continued to hold the hostages and demand guarantees of safety. Meanwhile, in nearby fields, the federal troops were digging trenches, camouflaging dozens of armored vehicles, and setting up their guns. Judging by this great accumulation of manpower and resources, the authorities are clearly preparing for a final "dialogue" with the terrorists. And apparently they are not about to worry about the hostages.

Raduyev Names Pervomayskoye "Gazavat-Yurt"

It turned out to be easier than might have been expected to reach the village of Pervomayskoye, which is firmly blockaded on all sides by the troops. It proved not particularly difficult to find gaps in the "blockade." Admittedly, to both right and left of the field road which we were walking down federal troop positions could clearly be seen. Soldiers were digging armored vehicles into the frozen plowland, pushing by hand vehicles which had gotten stuck, and setting up artillery pieces and pointing them at Pervomayskoye.

We even managed to talk to some of these soldiers at one spot. One of them, finding out that we were journalists, asked first of all: "Is this Chechnya?" As it turned out, the soldiers, particularly the young ones, did not know where and why they had been transferred. Cheerfully and without any misgivings, they had ben ordered to dig in, take aim at the village, and await orders. They were digging in, aiming their guns, dreaming of warmth and a hot meal, and more than ready to allow us to go anywhere for a pack of cigarettes. It was the first time they had heard of any buses or hostages.

On the other hand, the gunmen in the village of Pervomayskoye are perfectly well aware of the manpower and resources concentrated around them. Equipped with night vision instruments, they carefully track all troop movements, and their many radios allow them to eavesdrop on some of the radio negotiations which the Russian participants in the operation are conducting. Raduyev also has a satellite telephone powered by car batteries. Right in front of us he started calling Pakistan, and then proposed that we call the editorial office.

The gunmen's headquarters are in a sturdy house in the center of the village. The guards would not immediately let us into the house, first of all trying to find out whether we were FSB [Federal Security Service] agents. Finally Raduyev came out and invited us in. In one of the rooms we noticed a small group of hostages — women and small children. The youngest, sucking a pacifier, was lying in a crib and whimpering despite the fact that his mother was lulling him to sleep. In another room on a couch a doctor was examining a gunman wounded during a nighttime exchange of fire. Apparently one of the hostages, an Avar, had seized an assault rifle from the sleeping gunmen and opened fire on them. He killed two terrorists, wounded several hostages, and was then killed himself.

Raduyev ushered us into a small corner room, sat down on a couch, and began answering all our questions. He again (following the interview on television) told how the operation was conceived, and maintained that the gunmen's main target was the airfield in Kizlyar. According to the information at their disposal, eight helicopters with guided missiles were supposed to arrive there. Having established the date and time of arrival, the gunmen apparently decided to seize the airport and either remove or destroy the missiles. Some of the detachment steadily filtered into the town in small groups, but most of it arrived in seven vehicles and buses. Raduyev ironically recalled the television program in which the Russian president badmouthed his generals. "What do the generals have to do with it?" the "colonel" and gunman said. "They are doing their job. They have even set up posts on the borders. But we know all the little roads here! And we know how to reach agreement with ordinary soldiers — for money, of course."

The gunman spoke with unconcealed envy about the professionalism of officers of the special service, which, he said, is not only extremely well equipped, but also able to obtain information about many operations which the gunmen are planning. According to Raduyev, in the first few days of January he learned from his sources that back on 23 December information about the planned Kizlyar raid had apparently reached the leaders of the Russian special services. But nevertheless, according to the gunmen's information, the helicopters were still going to arrive in Kizlyar. In view of this they decided to start the operation. While they were already on their way they found out from a radio intercept that the information about the advance of the column had actually gone through various bodies to the top. In the belief that it was no longer possible to go back, the terrorists continued but decided to use their preplanned fallback option — to seize the hospital and hostages.

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According to Raduyev, the Kizlyar policemen put up unexpectedly stubborn resistance and hindered their plans most of all. The battle with them took up too much time and energy, so the gunmen then had to act hastily, losing their people and killing careless inhabitants of Kizlyar. "Your press was lying when they said that I demanded the urgent withdrawal of all troops from Chechnya and the invalidation of the elections. I am not so naive as to demand something so stupid. It was important for me to obtain guarantees for the withdrawal of my own people from Kizlyar," the leader of the gunmen said. "But now that they have deceived us, pinned us down in this village, and prevented us from going anywhere, we no longer trust anyone and we are all prepared to die. Together with your hostages, who came with us voluntarily. And let the federals not hope for anything — we will not perish here, each of us will fight his last battle and go to Allah. At our conference we decided to rename this village. It is no longer called Pervomayskoye, but Gazavat-Yurt.

In No Man's Land — Hostages

Every house on the perimeter of the village has been turned into a small fortress by the gunmen. They have created embrasures in the brick perimeter walls and basement walls, dug trenches, and piled boulders around them; they have placed, machine guns on the roofs. Gunmen with mortars and antitank rockets have taken up position in areas vulnerable to tank attack. Photographing or filming of these positions is prohibited. But they are quite willing to talk. As you talk you are distracted by a whole multitude of domestic animals grazing at your feet: chickens, geese, sheep, cows... The inhabitants of most of the houses apparently have already left the village, fearing an attack. All their things have been left unattended, at the gunmen's disposal. And when you consider that the basements of the houses are crammed with stores, there is an abundance of firewood in the sheds, the water supply is working and the lights are burning, it is clear that in these conditions it is possible to survive an entire winter's blockade. The only ones this does not apply to are the soldiers in the freezing trenches and the hostages whose nerves are already stretched to the limit. The terrorists have allowed women and children into the houses they are occupying themselves, but the men who volunteered to leave the hospital in place of women are being held in buses standing right on the road outside the village. When you consider that the gunmen's positions follow the line of houses not far from the road, and the federal troops are dug in in the field, it is clear that the buses are in no man's land. And if the fighting starts, they will be fired on from both sides.

The men in the buses were extremely agitated. They talked angrily about the Dagestan people's deputies and the republic's leaders who promised in Kizlyar that they would go the whole way with the hostages, but when they got to Pervomayskoye they suddenly abandoned the hostages and went over to the federal forces. The hostages reserved their worst abuse for Deputy Gamidov, but all the rest came in for it as well.

Meanwhile, Raduyev has been demanding for more than a day now that the Russian side return to him the deputies who allegedly left in order to negotiate and let the convoy leave for Chechnya. He is even promising to release women and children in return for them. But he will not get the deputies and republic leaders back.

Again, as happened in Budennovsk, the hostages are cursing their own authorities, are frightened of an attack by their own people, and have too many nice things to say about the terrorists. There is nothing else for it as long as they remain in the gunmen's power, under constant supervision. Just try not to be fulsome and not to say thank you for their "concern"; try not to curse the authorities, who have again shown themselves to be completely helpless, while making defenseless people pay. Incidentally, the terrorists in the trenches in Pervomayskoye are not only Chechens; there are several Dagestanis there, and, according to the gunmen, Ukrainians and Russians. I talked for quite a long time with one of the Russians, a 19-year-old guy. He had gone over to the Chechens from the internal troops some months before voluntarily, and after a while had adopted the name Magomed and started to fight against his own people. He had written several letters home, to Russia, and he had also written to his girlfriend. But he had not had any replies. He had also volunteered for this operation. And this clear-eyed, snub-nosed 19-year-old was also ready to die in the name of Allah. As we parted he agreed to write his home address and a few lines for his mom in my notebook. I will not give his name until I have carried out his request and met with his parents. All I will do is give the text of his note: "My dear beloved mom, dad, brothers and Allochka. Don't worry about me. We will meet again, Allah willing. In the meantime, I will fight for the freedom and independence of Chechnya. Love and kisses, X...."

FSB Intercepts Radio Messages From Dudayev

LD1601114496 Moscow ITAR-TASS World Service in Russian 1050 GMT 16 Jan 96

[By ITAR-TASS correspondent Olga Semenova]

[FBIS Translated Text] Moscow, 16 Jan (ITAR-TASS) — Representatives of the Russian Federal Security Service [FSB] showed the ITAR-TASS correspondent

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the texts of intercepted instructions by radio from Dudayev's headquarters to Salman Raduyev's terrorists in Pervomayskoye.

An instruction received at 2330 on 15 January says, among other things: "Report the situation... I know you well. Try to convince those who are left — they will do nothing to you. There must be no concessions. The more enemies [you have] the more interesting the war. Hold on to the end. You have no other choice. Hold on until tomorrow. The Duma will meet to discuss our question tomorrow. You know our situation. We will certainly all have support in the Duma."

"Save ammunition... Hold on until tomorrow... It will all be over tomorrow. Hold on, boys. You will be going home by bus tomorrow," Dudayev's headquarters instructs the terrorists in other messages.

FSB Spokesman Reports Release of 26 Hostages

LD1601111996 Moscow ITAR-TASS World Service in Russian 1105 GMT 16 Jan 96

[By ITAR-TASS correspondent Olga Semenova]

[FBIS Translated Text] Moscow, 16 Jan (ITAR-TASS) — According to reports received by 1330 today, a total of 26 hostages have been brought out of the village of Pervomayskoye, said Aleksandr Zdanovich, first deputy head of the public relations directorate of the Federal Security Service [FSB], speaking to the ITAR-TASS correspondent.

Gromov Assesses 'Operation To Destroy' Raduyev's Militants

LD1601111696 Moscow INTERFAX in English 1010 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Col. Gen. Boris Gromov, who was elected a new Duma deputy, assesses the events in the Dagestani village of Pervomayskoye "rather as an operation to destroy Salman Raduyev's militants than to release the hostages," he told INTERFAX on Tuesday during an interval in the lower house's session.

The general found it difficult to answer how he would act in the current conditions. At the same time, he believes that the operation was prepared "to destroy the terrorists." The fact that the militants' convoy was stopped and the bridge on its way exploded are indicative of that," believes Gromov.

"If the convoy of terrorists with their hostages were allowed to pass to Chechnya as planned under the agreement between the Dagestani Government and the militants, the hostages would have been released," said the deputy.

On the other hand, "the militants should not be pardoned either," he said.

Another Duma deputy, General Aleksandr Lebed flatly refused to offer any comments on the developments in Dagestan, including on the federal forces actions in Pervomayskoye from the point of view of a military man.

According to him, all he had to say on the events in Kizlyar and Pervomayskoye he had "expressed to the authorities on Saturday."

"Ask the supreme commander, government ministers, they know everything," General Lebed advised the INTERFAX correspondent.

Muslim Leader Comments on Hostage Crisis

LD1601145696 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — A leader of Russia's Muslim Union Abdul Niyazov believes that "the military operation to free the hostages in the village of Pervomayskoye has increased the danger of entangling Dagestan into the conflict in the North Caucasus."

He told INTERFAX Tuesday that "anti-Russia moods are so strong in Dagestan that the situation in that republic may develop in a most unpredictable way."

Before the assault was launched on the village of Pervomayskoye where Chechen militants are holding hostages, he said, leader of the Muslim Union Nizir Khachilayev had conducted talks with the separatists and achieved certain results. "However, we were denied an opportunity to go on," he said.

A representative delegation of Russia's Muslim Union will fly to Dagestan on January 17 in a bid to prevent the spreading of the conflict to Dagestan. "This is our main task now," said Niyazov. "Otherwise, events in Dagestan will overshadow the situation in Chechnya."

Comments by Freed Hostage Reported

LD1601093296 Moscow ITAR-TASS in English 0700 GMT 16 Jan 96

[By ITAR-TASS correspondent Gadzhiy Shamov]

[FBIS Transcribed Text] MAKHACHKALA January 16 (ITAR-TASS) — "It was terrifying, but thanks Allah, it's over", a Daghestani hostage freed by Russian commandos in the village of Pervomayskoye told TASS on Tuesday.

The hostage, who identified himslef only as Ibragimov, said the terrorists were the first to open fire from grenade

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launchers, machine and submachine guns when the talks failed early on Monday.

He said he and two other hostages were ordered by the terrorists to bring shells and ammunition to their positions. However, when artillery preparations of Russian forces began, the terrorists began to hide in shelters.

"We also hid ourselves under one of the houses. Then the special task forces freed us", Ibragimov said.

11 hostages have been freed by Tuesday morning in Pervomayskoye. The terrorists are still holding dozens of captives.

Rebels Ordered To Launch Fighting in Chechnya, Dagestan

LD1601132696 Moscow ITAR-TASS in English 1303 GMT 16 Jan 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW January 16 (ITAR-TASS) — The chief of staff of Chechen separatists, Aslan Maskhadov, has reportedly ordered his militants to launch large-scale terrorist acts in Chechnya and neighbouring Dagestan from 22:00 hours Moscow time (19:00 GMT) on Monday [as received].

Aleksandr Zdanovich, a spokesman of the Federal Security Service, told Tass on Tuesday [16 January] that the headquarters of Chechen separatist leader Dzhokhar Dudayev also "issued an order to get ready for combat activities on the whole territory of Chechnya, including Groznyy".

Quoting an interception of radio talks between the militants, Zdanovich said the high alert was confirmed by the order to all bandit formations to constantly be in radio contact.

The spokesman said the order of Maskhadov was transmitted by all radio communication networks of Chechen separatists.

Federal Troops Said Conducting Mainly Sniper Fire

LD1601114196 Moscow ITAR-TASS World Service in Russian 1113 GMT 16 Jan 96

[By Olga Semenova]

[FBIS Translated Text] Moscow, 16 January (ITAR-TASS) — According to information received by 1330 Moscow time [1030 GMT], fighting is continuing in the center of the Dagestani village Pervomayskoye, and the rebels have "dug trenches the depth of a full-grown man between the houses and are rapidly moving from one place to another." An ITAR-TASS correspondent was told this today by the first deputy head of the Federal Security Service [FSB] public relations center, Aleksandr Zdanovich.

According to a senior FSB official at the scene of the events with whom Zdanovich spoke by telephone, "the delay in the advance of the special units has been caused exclusively by a concern to save the lives of as many of the hostages as possible." Because of this, he explained, the federal forces are currently conducting mainly sniper fire in the center of the village.

Spokesman Claims Pervomayskoye Checkpoint Seized

LD1601111296 Moscow ITAR-TASS in English 1041 GMT 16 Jan 96

[By Olga Semenova]

[FBIS Transcribed Text] MOSCOW January 16 (ITAR-TASS) — Russian authorities said they had seized the concrete building of the checkpoint at the entrance to the village of Pervomayskoye as for Tuesday noon and that the terrorists had been driven to the centre of the village where they still control the mosque and the school.

Spokesman of the Federal Security Service Aleksandr Zdanovich told Tass that the terrorists "were controlling the mosque and the school where they are, evidently, holding the remaining hostages".

Earlier Tass correspondent reported from the scene of the fighting that the terrorists had been driven to the southern end of the village and that most fighting was going on for the checkpoint where policemen-hostages were kept.

However, Zdanovich said that "federal forces had freed the building of the checkpoint situated at the entrance to Pervomayskoye" and that the terrorists had been "pushed to the centre of the village".

The spokesman denied the claims of the terrorists about numerous civilian and military casualties in the operation saying "very many statements are being made in propaganda aims to support the morale of the militants".

"As for 12:00 hours Moscow time (09:00 GMT) there were no killed fighters among the special task units", Zdanovich said adding that some casualties were reported among Interior troops.

As for numerous casualties among civilians allegedly killed by federal forces, the spokesman said "there were no and could not be any reliable data until combat activities are not [as received] over".

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Helicopter Gunships Strike Terrorist Positions

LD1601094396 Moscow ITAR-TASS in English 0923 GMT 16 Jan 96

[By Mikhail Shevtsov]

[FBIS Transcribed Text] NEAR PERVOMAYSKOYE January 16 (ITAR-TASS) — Helicopter gunships delivered powerful strikes for ten minutes at Chechen terrorists in the Dagestani village of Pervomayskoye beginning from 11:10 hours Moscow time (08:10 GMT) on Tuesday.

The village is covered by smoke. TASS correspondent staying three kilometres away from the village can clearly see fires raging there.

Snow with rain and fog impede the hostage-freeing operation in Pervomayskoye which began on Monday. Helicopters were flying over the village for the whole night and in the morning. They fired flares to illuminate the village where federal forces were fighting the terrorists.

Intensive machine gun shooting was heard from Pervomayskoye on Tuesday morning. The military told TASS they were fighting for the concrete building of a checkpoint where most hostages were kept.

A Russian commando, who identified himself only as Yevgeniy, told TASS the terrorists were fiercely fighting to defend the checkpoint. He was echoed by the military who control most of Pervomayskoye.

The terrorists have been pushed to the southern end of the village by now.

At least 11 out of 15 freed hostages are being kept in the nearby village of Sovetskoye. Journalists are not allowed to contact them. All people fleeing Pervomayskoye are being thoroughly identified so that the terrorists could not escape in disguise. Security officials said two terrorists posing for hostages had been seized overnight.

Chechen Spokesman Cited on 'Rivers of Blood'

LD1601140696 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 16 Jan 96

[FBIS Translated Text] We have just received one more item of news which I would like to present: Movladi Udugov, spokesman for the Dudayev government, just told us about the latest events in Pervomayskoye:

[Begin Udugov recording] It is now 1551. Today the Russian special groups launched attacks on the village of Pervomayskoye three times. In effect, it is a continuous attack, wave after wave, wave after wave. The latest attack took place at 1430. Once again, it came from two sides. As before, the Russian assault groups were trying to get into the village. On one side, the assault forces were halted at the approaches to the village — there was a fierce skirmish. On the other flank, the Russian assault group again succeeded in breaking through the defense line and entered the village. There was fighting in the center of the village.

By 1535 the Russian special groups were forced out of the village, having sustained very major losses and the special units retreated to their previous positions. So, at this time the fighting is less intensive. As before, the village of Pervomayskoye is under the full control of the Chechen forces. Since 1540, about five minutes ago, Russian aircraft and artillery are literally bombing the village to destruction.

As for the Chechen losses, in the course of today the Chechens lost 10 dead. In all, throughout the entire battle, the Chechens lost 15 dead and 14 wounded, including two who are seriously wounded.

The situation concerning the hostages remains the same. Several dozen hostages are in wrecked buildings, but according to preliminary information they remain alive, although it is possible that there are some deaths as well. For the time being we are unable to give precise figures, that may be possible nearer the evening if another assault does not start in the next half hour or so.

I repeat: The fighting is horrifically intensive, the density of fire is horrific. It is very bloody, rivers of blood are flowing, there is hand-to-hand fighting. The Russians are coming in wave after wave, even the commanders, particularly Barsukov, are coming to Pervomayskoye, evidently having already reported to the president that he has already sorted it all out. [end recording]

Moscow Will Take 'Seriously' Mercenaries Among Gunmen

LD1601143996 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Moscow will react most seriously if reports that Pakistani and Iranian nationals are in the gang of Chechen gunmen led by Salman Raduyev prove accurate, Russian Deputy Foreign Minister Albert Chernyshov told INTERFAX Tuesday.

On Monday President Boris Yeltsin said that according to his knowledge there are mercenaries from Iran and Pakistan as well as Chechen criminals among the hostage-takers in Pervomayskoye, Dagestan.

Chernyshov said the matter will be clarified after the end of the hostage-release operation of federal forces. "Evidently we will not have to wait for long," he said.

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Pakistan Denies Pervomayskoye Involvement

LD1601145096 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Pakistan has categorically rejected any involvement of its citizens in the events in the city of Kizlyar and in the village of Pervomayskoye (Dagestan). "Such assertions do not correspond to the reality," Charge d' Affairs of the Pakistan Embassy to Moscow Muhammad Younas Khan told INTERFAX Tuesday.

In his words, Islamabad "is in favor of close and friendly relations with Russia."

"The Pakistani Government wishes successes in implementing political initiatives in Russia which would lead to a peace settlement of the Chechen problem," the diplomat said.

For his part, press attache of the Iranian Embassy to Russia Ali-Reza Mortazavi rejected information on the presence of Iranian citizens in Raduyev's band.

"I officially declare that there are no Iranian citizens either in Pervomayskoye or in Chechnya. Probably, Russian President Boris Yeltsin has received incorrect information," he said.

In his words, Iran has nothing in common with the events in Chechnya "both on the official and on unofficial levels." "There are no reasons for staying of Iranian citizens [as received] in this region of Russia."

"Iran respects Russia's territorial integrity. Teheran sticks to the opinion that the Chechen problem is Russia's internal problem," he underlined.

Militants Said To Have Lost About 100 Men in Dagestan

LD1601144296 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — About 100 militants were killed in fighting for the town of Pervomayskoye in Dagestan by 1:30 P.M. Moscow time on Tuesday, a high-ranking source in one of Russia's power ministries told INTERFAX.

According to him, federal troops forced Salman Raduyev's gunmen out of a well-fortified roadblock post overlooking the town. The location had made it possible for the militants to control virtually the whole of Pervomayskoye.

"Having found out that the militants had taken hostages from the roadblock post to the local school and mosque, the federal troops resorted to the use of heavy weapons and cumulative grenades," the source said.

Zavgayev: Pervomayskoye Events 'Due to Carelessness'

LD1601154096 Moscow INTERFAX in English 1524 GMT 16 Jan 96

[By RIA Novosti correspondent Aleksandr Chuykov]

[FBIS Transcribed Text] GROZNYY, JANUARY 16 (INTERFAX) — The tragedy in Kizlyar and Pervomayskoye were due to carelessness, head of the Chechen Republic Doku Zavgayev thinks. Talking to reporters in Groznyy today, he had this to say: "How come the trucks carrying fighters could go all the way down there along the road with so many check points on it!"

According to him, Dudayev's terrorists were infiltrating into Groznyy by small groups, one at a time, and arms were to be delivered later by two Kamaz trucks. "A regime introduced at the check points prevented them from doing it. I understand that all this inconveniences the city's residents and you, journalists, too. However, the city is safe, people are alive, and a repetition of the Kizlyar tragedy has been averted," Zavgayev emphasised.

Touching upon the government's activity to restore the economy and the social infrastructure of Chechnya, the head of the republic explained that preparations for a sowing campaign are now well under way. The Russian government is doing a great deal to help us with seeds, machinery, fuel and lubricants. Never have we had a single wish refused," [quotation mark as received] Zavgayev pointed out.

Religious Leaders Leave for Pervomayskoye Region

LD1601162896 Moscow ITAR-TASS in English 1622 GMT 16 Jan 96

[By Dmitriy Zlodorev]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — Delegations of the Muslim Union of Russia and of the Russian Orthodox Church are leaving Moscow for the Dagestani capital Makhachkala later on Tuesday to travel on to the village of Pervomayskoye.

The Muslim delegation told ITAR-TASS that the mission of the two cleric delegations is to head off Dagestan's sucking into the military stand-off and a confessional conflict in the North Caucasus.

The Muslim Union of Russia today issued a statement which denounces the action of Chechen terrorists and of Dudayev-led rebels.

"The situation in Dagestan is heated to the utmost, rallies are demanding a stop to the hostilities and

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the ousting of the gunmen from the territory of the (Dagestan) republic," the statement says.

The Muslim Union says it is taking every effort to thwart the progress of tension to an ethnic conflict.

The Muslim clergy is being broadly involved in explanatory work among the public, the statement says.

Dagestani Spokesman Denies Raduyev Killed Elders

LD1601101196 Moscow Radio Rossii Network in Russian 0900 GMT 16 Feb 96

[FBIS Translated Exerpt] The operation against Dudayev's rebels is continuing in Pervomayskoye. G. Aripov, the head of the press center under the State Council and the government administration of the Republic of Dagestan, said: [passage omitted on release of 23 hostages]. "According to the information which was made available to us by 1000 [0700 GMT] this morning we can't confirm yesterday's reports on the shooting of the six Dagestani elders by Raduyev. "This information has been sent from the area by Dagestani Interior Minister Magomed Abdurazakov. The press center has not received any other news at this hour."

Lobov: Dudayev Cannot Participate in Negotiations

LD1601131296 Moscow ITAR-TASS in English 1300 GMT 16 Jan 96

[FBIS Transcribed Text] GROZNYY, January 16 (ITAR-TASS) — The Russian Government will allocate 20 trillion roubles in 1996 to help restore Chechnya's economy, secretary of the Russian Security Council and Russian President's plenipotentiary in Chechnya Oleg Lobov said here during a press conference today. Lobov reminded that questions about financing the economy and the social sphere had been discussed at a special meeting with President Boris Yeltsin on Monday.

Oleg Lobov also said that a decision on dates for holding elections to the Chechen republic's People's Assembly "has not been worked out until now". "In any case, the final decision will be left for the Chechen side to decide", the Security Council secretary said.

Events in Dagestani town of Kizlyar, where Dudayev's militants led by Salman Raduyev have killed several dozens and taken hostage hundreds of civilians, will "without any doubt have its impact on dates and composition of participants in the negotiating process in Groznyy", according to Oleg Lobov. In his opinion, Dudayev, who has owned responsibility for the act of terror in Kizlyar, has repudiated himself and can not become a participant in the negotiating process.

Media Reports 'Fighters' Kidnapped TETS Workers

LD1601103796 Moscow Radio Rossii Network in Russian 1000 GMT 16 Jan 96

[FBIS Translated Text] According to reports from various sources, between 30 and 40 workers on the night shift at Groznyy's thermal power station number two [TETS 2] were seized early this morning as hostages by fighters in the settlement of Kirovskoye in an outlying district of Groznyy. It is still unclear exactly who took the hostages. The news of the kidnap of the TETS 2 night shift came from the management of Groznyy Power. An operational group from the Federal Security Service Chechnya directorate has been sent to the scene to establish the circumstances of the incident.

Our correspondent made contact by telephone with the head of Dzhokhar Dudayev's news service, Movladiy Udugov, and asked him to comment on the report of the capture of the power workers. Udugov said that he learned of the kidnap from the Russian media and has no other information.

'Hostage Workers' May Just Have Quit

LD1601135396 Moscow ITAR-TASS in English 1326 GMT 16 Jan 96

[By Igor Ivantsov and Olga Semenova]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — A group of 30 workers from the "TETS-2" heat-generating plant in Groznyy have disappeared from the settlement of Kirov on the outskirts of Groznyy early on Tuesday and were taken away in a bus in an unknown direction, director of the TETS-2 heat-generating plant said today. It is not immediately clear who is concretely responsible for the incident, spokesman for the Public Relations department of the Federal Security Service Aleksandr Zdanovich told TASS. Zdanovich said that the entire area adjoining the territory where the workers were seen last had been cordoned off by Interior forces and a special FSS group.

Zdanovich said that at present, the FSS servicemen are verifying the authenticity of another report suggesting that the workers have not been taken hostage, but voluntarily quit their jobs and bolted. The FSS agents investigating the incident learned that a conflict had flared up on Monday between the workers and the administration and the cause of the conflict is not immediately clear. Anyway, it was suggested that during the conflict the workers threatened to quit their jobs.

The names of the workers missing since Tuesday morning are being established by managers of the "Russian Single Power Grid" enterprise. It was reported

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that all the workers had been sent to Groznyy from the Rostov region and that there were no local people among them. The workers were accommodated in a temporary compound located close to the TETS-2 heat-generating plant at a distance of approximately three kilometers from the centre of Groznyy. The compound was guarded with one of the city check points located on its territory.

The circumstances of the workers' disappearance are not clear yet. Earlier reports said that they disappeared around 3:30 a.m. Tuesday and their absence was noticed early in the morning after they had failed to turn up for the morning shift.

Local energy experts believe that the disappearance of the workers poses a threat of the stoppage of the TETS-2 heat-generating plant part of which was recently repaired. The plant supplies heat to the city and its enterprises. The plant was reported to be operating normally at noon Moscow time today but if the workers serving the plant are not found, the plant will inevitably be shut down.

ITAR-TASS Reports No Change in Chechen Situation

LD1601014396 Moscow ITAR-TASS World Service in Russian 0041 GMT 16 Jan 96

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 16 Jan (ITAR-TASS) — The situation in Chechnya has not changed today in connection with the operation being carried out to destroy Dudayev's men headed by Raduyev in Pervomayskoye. This was reported to ITAR-TASS by telephone by the operational duty officer for the Chechen Interior Ministry in Groznyy.

He noted that law enforcement bodies are working on a regime of heightened vigilance. Vehicle traffic is banned until the morning and additional patrols have been introduced. Everything possible is being done not to allow attacks by Dudayev's men on vitally important facilities in Groznyy. Everything is quiet in the city.

The Interior Ministry officer said that no alarming information has been reported from the districts of the republic about any of Dudayev's armed fighters.

Preventive actions by the Chechen Government have been pursued after Dudayev's men threatened on 15 January, in response to the federal forces' actions in the Dagestan town of Pervomayskoye, to mount a whole series of attacks on a number of important facilities, including the Government House, the temporary directorate of the Russian Interior Ministry, and hospital No. 9 in the city's Promyslovoy district.

Interior Ministry Reports on Casualties, Hostages

LD1501210596 Moscow Radio Rossii Network in Russian 2000 GMT 15 Jan 96

[FBIS Translated Excerpt] [passage omitted: background] According to current Interior Ministry data four servicemen have died and 14 have been wounded. All of the wounded have been taken to the military hospital in Groznyy. Eleven released hostages were brought out of the village of Pervomayskoye towards evening. According to data from the Russian special services, around 60 militants have been killed and 15 have been wounded. Federal forces in the village of Pervomayskoye have registered attempts by the militants to leave the combat zone under the guise of hostages. The Interior Ministry has also reported that up to 10 rebels have given themselves up.

Dudayev Official Outlines Crisis Settlement Plan

LD1501200096 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 15 Jan 96

[FBIS Translated Text] Dudayev's side sees and perceives everything that is taking place in Pervomayskoye in quite a different light. Movladi Udugov, Dudayev's press secretary, informed us that at 1700 Moscow time the federal forces made another attempt to attack the village.

[Begin Udugov recording] During the latest attack, which started at 1655, the Russian special purpose detachments succeeded in entering the outskirts of the village of Pervomayskoye where they tried to dig in. However, after a fierce skirmish that turned into hand-to-hand fighting on more than one occasion, the Russian special purpose detachments were dislodged from the positions they occupied. Now the Chechen fighters are fully controlling the situation along the entire perimeter, they continue to remain on their initial positions.

The Chechen side's losses amount to seven killed and nine people wounded. The losses of the Russian side are not known in full, but 34 bodies from the Russian special purpose detachments were discovered on the territory of the village itself. [end recording]

According to Udugov, the main headquarters of Dudayev's formations has proposed a new plan for reaching a settlement in the village of Pervomayskoye, Dagestan, to the Russian military command.

[Begin Udugov recording] The main headquarters of the armed forces is proposing to the Russian authorities and Russian troops that the Chechen fighters, together with the hostages, be allowed onto the territory of the Chechen republic. In this case, the main headquarters guarantees that all the hostages will be returned to

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the Russian authorities. Thus, the main headquarters believes that it is possible to save the lives of the hostages and to resolve the crisis situation in a peaceful way. [end recording]

Dudayev to Raduyev: Be Ready To Die, Shoot Hostages

LD1501064696 Moscow ITAR-TASS in English 0640 GMT 15 Jan 96

[By Sergey Batyrev]

[FBIS Transcribed Text] MOSCOW January 15 (ITAR-TASS) — Chechen separatist leader Dzhokhar Dudayev has reportedly instructed his chieftain Salman Raduyev, whose terrorists are holding estimated 100 hostages in the Dagestani village of Pervomayskoye, to shoot several policemen-hostages and to be ready to die in combat with federal forces.

"Prepare some policemen for execution" and "be yourself ready for the worst, consider yourself kamikaze", the Dudayev headquarters instructed the terrorists, according to an interception of their radio talks made public by the Federal Security Service (FSB) on Monday.

Aleksandr Zdanovich, a FSB spokesman, told Tass that Dudayev ordered his terrorists to refrain from talks and shoot some of the hostages.

"Do not hold long talks, each word, each intonation is against you. Prepare policemen for execution and warn them about that. You can even shoot some of them", according to the instruction.

"Occupy a tough position. Help is coming to you and therefore they (federal forces) are in a hurry", it added.

The Dudayev headquarters admitted that the separatists failed to organise anti-Russian rallies in Dagestan. "We cannot transfer the rallies to the Dagestani territory. They are shooting at us and the people are staying near (the Chechen settlement of) Gerzel", the instruction said.

"Consider yourselves kamikaze. Be ready to meet Allah. Forget about everything earthly and it will be easier for you. Prepare for the worst", the message said.

Shumeyko: Dudayevites 'Outcasts;' War Will Not Spread

LD1501220896 Moscow 2x2 Television in Russian 2025 GMT 15 Jan 96

[FBIS Translated Text] On 15 January the Federal Assembly of the first convocation concluded its work with a decision to allocate 540 billion rubles from the state budget for fighting terrorism and banditry.

Throughout the world terrorism has become an unwelcome but importunate concomitant of democracy. However, it is only in Russia that top state officials hold talks with bandits, Vladimir Shumeyko stated at a final news conference. He has been the head of the upper house of the Russian parliament for two years.

Assessing the situation in Pervomayskoye, he said that Dudayevites have literally overstepped all the limits of the Caucasian traditions and put themselves in the position of outcasts. It is because of this, Vladimir Shumeyko believes, that the war would not spread to the entire region of North Caucasus. Analyzing the reasons for the Chechen events, the chairman of the Federal Assembly put the lack of a clear-cut concept of an ethnic policy in Russia in first place.

Ossetian Minister Denies Basayev Infiltration Rumors

LD1501195196 Moscow Mayak Radio Network in Russian 1800 GMT 15 Jan 96

[FBIS Translated Text] Major General Georgiy Kantemirov, the North Ossetian minister of internal affairs, has denied the reports that appeared in some media about the possibility of the detachments of Chechen fighters led by Shamil Basayev infiltrating the territory of North Ossetia, and about scattered groups of Dudayev's fighters being spotted in the vicinity of the town of Mozdok.

Ingush President Warns of Involvement in Chechnya

LD1501141696 Moscow INTERFAX in English 1323 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — Ingush President Ruslan Aushev does not rule out the possibility that neighboring Ingushetia may become involved in the Chechen conflict.

Addressing deputies of the Federation Council at its Monday session he said that "Ingushetia will be the next after Dagestan, then Stavropolye and Krasnodar."

"There exist real forces which have been trying to implement this scenario for a year already," he said.

"It is enough to analyze the situation competently in order to understand what forces stand behind this," he said. The nearer the presidential election are, the greater the number of people trying "to yield the maximum dividends" out of the Chechen war.

Speaking about the actions of the Russian forces in Chechnya and particularly in the village of Pervomayskoye, Aushev said that "nobody doubts the might

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of the Russian federal forces but it's the strong party that should demonstrate nobility. Unfortunately, the federal leadership does not show a reasonable approach towards the Chechen crisis."

Member of Russia's Security and Defense Committee Petr Romanov said that "Russia may lose the Caucasus if it gives preference to coercive methods but not to political flexibility and wisdom."

The same day, members of the Federation Council declined the proposal of a group of deputies from the Nizhny Novgorod region which put forward an initiative to propose to the Russian president to urgently stop hostilities in Chechnya and to withdraw units of Russia's armed and interior forces from the territory of this republic.

Zhirinovskiy Calls On Government To Be Tougher

LD1501141496 Moscow INTERFAX in English 1323 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The Liberal Democratic Party of Russia and its leader Vladimir Zhirinovskiy called on the Russian Government to be even tougher in the operation to free hostages in the Pervomayskoye settlement, Dagestan.

A statement received by INTERFAX from the party's press service Monday says that the party and its leader "strongly" welcome the actions of the Russian troops.

The party hopes that the events in Kizlyar and Pervomayskoye will "be a tough lesson for all who dare to encroach on Russia."

Communist Party Issues Statement on Hostage Crisis

LD1501141996 Moscow INTERFAX in English 1323 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The war in Chechnya can only be stopped by the power elected by the people on December 17, 1995, a statement issued by the Russian Communist Party on Monday said.

The hostage-taking crisis in Kizlyar and Pervomayskoye has once again shown "the incapability of the executive branch" which failed to take effective measures and ensure coordination between its power structures, the statement said.

There are forces in the "upper echelons of power" which have "armed" the separatist leader Dzhokhar Dudayev and, "acting under the guise of peacekeeping activities... Paralyzed" the activity of federal armed forces and allowed Dudayev gunmen to "restore their combat efficiency," the statement said.

As a result, this has not only destabilized the situation in multi-national Dagestan, but also "created a real danger of a Caucasian war," it said.

Former Duma Speaker Rybkin on Hostage Crisis

LD1501114696 Moscow INTERFAX in English 1038 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (INTERFAX) — The speaker of the previous State Duma Ivan Rybkin at a press conference today supported the operation by Russian special forces to free the hostages being held by Chechen separatist Salman Raduyev in the village of Pervomayskoye, Dagestan.

"Bandits should receive what they deserve, it's impossible to do anything else," he said.

The federal forces started the assault on Monday morning on the village of Pervomayskoye where more than 100 hostages are being held.

"The international juridical norms stipulate that as soon as the first hostage dies it is necessary to start an assault," Rybkin said, commenting on media reports that the gunmen have already shot people detained by them.

"In this case the actions of the federal forces are quite justified," Rybkin said.

First Freed Hostages Interviewed in Pervomayskoye

LD1501194996 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 15 Jan 96

[From the "Vremya" newscast]

[FBIS Translated Text] Now, the first interviews with the freed hostages:

[Begin recording] [Unidentified correspondent, over video from the State TV and Radio Company "Dagestan"] How were you treated by the militants?

[First hostage] How? They kept us under gunpoint, that's how. But to save the lives of the children and the wife one had to become a hostage, for the sake of the children and the women.

[Correspondent] Where in Kizlyar do you live?

[Second hostage] At the first department of the Kizlyarskiy state farm in the Mirnoye settlement.

[Correspondent] Tell us shortly how you became a hostage?

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[Second hostage] I was going to work. I work at the Kizlyar electro-mechanical plant. We got off the bus and the Chechens captured us and took us to the hospital. After that, when they were getting together the hostages for this place, I went voluntarily so the women and children would not have to go. [video shows group of former hostages talking with a man in army uniform]

[Correspondent] What do you want to say to your relatives?

[Third hostage] Tell them that everything is OK; so far we are all in good health.

[Correspondent] Tell us how you managed to escape.

[Fourth hostage] Well, they started to retreat and I was shell-shocked. They all ran away and when I came to there was nobody there. I crept under a shed.

[Correspondent] [words indistinct] You were kept separate, yes?

[Fourth hostage] Well, yesterday we joined together here, ten people. Yesterday we waved flags all day, and today [words indistinct]

[Correspondent] Where do you come from? From Kizlyar?

[Fifth hostage] From Kizlyar.

[Correspondent] You were a hostage here from the very beginning, yes?

[Fifth hostage] From the time they took me from my house.

[Correspondent] How are you?

[Fifth hostage] Not to bad, only it is cold.

[Correspondent] You were dragged from your house?

[Fifth hostage] Yes.

[Correspondent] You live in Cheryomushki?

[Fifth hostage] Yes. I hid my wife and children and came out. [video shows former hostages talking to interviewer, soldiers in the background] [end recording]

Air Strikes Reportedly Kill 150 Chechen Gunmen 15 Jan

LD1601110896 Moscow INTERFAX in English 1010 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — A group of 150 Chechen militants was killed as the result of an air strike by federal fighter jets on Monday [15 January].

The militants were found 4-5 kilometers to the north of the Dagestani settlement of Pervomayskoye as they were attempting to break through from Chechnya to help the gunmen led by Salman Raduyev, a senior spokesman for the chief Russian air force command office told INTERFAX on Tuesday. Federal forces in Pervomayskoye on Monday started an operation to release the hostages held by the Chechen gunmen, who include civilians from Pervomayskoye and the Dages'ani town of Kizlyar.

Throughout the night, planes lit up the settlement by dropping flares, said the spokesman.

He also expressed his confidence that the operation to release several dozen hostages will be completed successfully.

On Tuesday as dawn came, planes started air reconnaissance of the Chechen areas adjacent to Dagestan, as well as territories close to the Pervomayskoye settlement, said the spokesman. Fighter jets will also continue "isolation work" to prevent militants breaking through from Chechnya to help Raduyev.

Luzhkov Welcomes 'Decisive' Assault in Pervomayskoye

LD1501213996 Moscow ITAR-TASS in English 2131 GMT 15 Jan 96

[By Nikolay Styazhkin]

[FBIS Transcribed Text] BUDENNOVSK, Stavropol region, January 16 (ITAR-TASS) — Moscow Mayor Yuriy Luzhkov welcomed the decisive actions of Russian security forces to destroy Chechen gunmen and free over 100 hostages they have been holding in the Dagestani village of Pervomayskoye since last Wednesday.

Luzhkov took a brief trip to the city of Budennovsk, Stavropol region, the scene of the June 1995 hostage crisis, where Moscow builders rebuilt and equipped the local hospital which was destroyed by Chechen gunmen led by Shamil Basayev.

"The actions of Russian power structures in the village of Pervomayskoye to neutralise the gunmen is an extreme, but forced, measure," Luzhkov said at a meeting in Budennovsk.

"This was the only real chance to save the hostages in conditions of a stand-off at the talks," he added.

"Those responsible for the bloodshed and the death of innocent people should face inevitable punishment," Stavropol region governor Pyotr Marchenko said.

Earlier today, Luzhkov visited Vladikavkaz to discuss prospects for cooperation and a treaty of friendship and cooperation between North Ossetia and Moscow.

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Medvedev Gives Reasons for Attacking Terrorists

LD1501093896 Moscow ITAR-TASS in English 0916 GMT 15 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW January 15 (ITAR-TASS) — Chechen terrorists holding estimated 100 hostages in the Dagestani village of Pervomayskoye have rejected all the peaceful proposals of federal authorities and a further delay could have only aggravated the stand-off, according to presidential spokesman Sergey Medvedev who commendted on the decision to storm the village.

He told TASS on Monday that President Boris Yeltsin was being constantly informed on the process of the storming of Pervomayskoye.

Medvedev added that "all proposals submitted by various politicians to Boris Yeltsin were studied most attentively, however, none of the reasonable proposals, and many of them were used in talks, have been accepted by the Dudayev side".

"Although the Russian leadership did everything possible to settle the conflict by peaceful means, a further delay would have only aggravated the stand-off", Medvedev said.

Chechen MP Disputes Claims of Basayev Gangs in Groznyy

LD1501135596 Moscow Russia Public Television First Channel Network in Russi. 1200 GMT 15 Jan 96

[From the "Novosti" newscast]

[FBIS Translated Text] Our correspondent Igor Demin reports on the situation in Groznyy today:

[Begin Demin recording] Media reports about the presence of [Shamil] Basayev's gangs in the vicinity of Groznyy are not being borne out by real evidence. This was stated this morning by Chechen Interior Minister Khamid Inalov. The minister said the intensive firing overnight was nothing unusual, and there was no shooting at all in the Staraya Sunzha area. At the same time, according to information received from the Federal Security Service, two truckloads of fighters tried to enter Groznyy last night but were stopped.

Special regulations have now been imposed on the city of Groznyy. Entry of vehicles is banned. Movement of traffic on the streets is severely restricted. The situation in the city is calm at the moment. [end recording]

Troops Hear From Chechen Fighters: 'We Want To Live'

LD1501201696 Moscow ITAR-TASS in English 2007 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, January 15 (ITAR-TASS) — At least one Chechen fighter tried to escape from the village of Pervomayskoye, being stormed by federal troops from Monday [15 January] morning, under guise of a hostage, a spokesman for the Russian Interior Ministry told ITAR-TASS on Monday.

According to operational data, fighters pick up civilian clothes in deserted houses aiming to leave the settlement by masquerading as civilians. The released hostages also confirm the reports.

Federal troops are checking the identity of all those who name themselves released hostages. Nine hostages who were kept by guerrillas are already identified.

On Monday morning, federal forces managed to intercept radio talks between groups of militants fighting in separate village areas. Some militants were saying they would cease resistance, free hostages and give up to authorities.

A source at the Russian Interior Ministry said that soldiers who were in close contact with fighters during the storm had repeatedly heard voices of young terrorists shouting "we want to live, we did not stain ourselves with much blood and are prepared to surrender."

Execution of Policemen Triggered Pervomayskoye Assault

LD1501120496 Moscow ITAR-TASS in English 1110 GMT 15 Jan 96

[By Gadzhiy Shamov]

[FBIS Transcribed Text] MAKHACHKALA January 15 (ITAR-TASS) — The execution of policemen and Dagestani elders held hostage by Chechen terrorists triggered the Russian assault on the village of Pervomayskoye, according to a spokesman of the Federal Security Service office in the Dagestani town of Khasavyurt, close to Pervomayskoye.

"The decision to launch the operation was taken only after the reports about the execution of policemen and elders had been confirmed", the spokesman told Tass on Monday.

He said that local Dagestani elders arrived in Pervomayskoye at 08:00 hours local time (05:00 GMT) to talk the terrorists into freeing hostages.

"The militants of Salman Raduyev executed the group of elders from nearby settlements", the spokesman said.

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He also confirmed reports that several out of 36 policemen seized by the terrorists were also shot dead. Sources in Moscow said six policemen were killed.

The spokesman said that when the elders were heading for Pervomayskoye, the federal authorities used loudspeakers to talk the terrorists into resuming negotiations. Security minister Mikhail Barsukov, who coordinates the hostage-freeing operation, went to Pervomayskoye at 08:30 hours in his car, but had to turn back after he came under fire.

"The activities of the militants, who breached the promise, were the last drop to exasperate the leadership of federal forces", government sources told Tass in Moscow.

"When the information about the execution of policemen was confirmed, it became clear that no more delay was possible and the special task forces were ordered to launch a combat operation to free the hostages", the sources.

Chechen Fighters Hold 28 Stavropol Hostages

LD1601134996 Moscow Radio Rossii Network in Russian 1100 GMT 16 Jan 96

[FBIS Translated Text] Our correspondent in Stavropol, Valeriy Kuts, tells us today that 28 Stavropol residents working in Chechnya have been held hostage on the republic's territory for some time:

[Kuts] The Stavropolites had been working since last July as part of a combined team in Chechnya building schools, a hospital, and a bakery. On the eve of the December [17] elections when the situation in the republic took a sharp turn for the worse, everyone else le. but them after the local elders asked them, as highly qualified fitters, to stay on with the promise that they would be given a guard. The builders respected the request. Otherwise there would have been no one to repair the boilerhouse and the hospital and five schools would have been left unheated. But the fighters ignored the authority of the elders.

The Stavropolites are in captivity. The Chechen Government is not in a position to free them despite the desperate efforts of both the power bodies and religious figures. The International Committee of the Red Cross is now mediating in talks and its representative has seen the captured builders. All of them are alive and in good health for now. The fighters have set their conditions: Either a large sum of hard currency as a ransom or an exchange for prisoners taken during fighting with the federal forces.

'Special Security Measures' Taken in Dagestan Capital

LD1501175196 Moscow Radio Rossii Network in Russian 1700 GMT 15 Jan 96

[FBIS Translated Text] Emergency residence regulations came into force in the Dagestani capital Makhachkala today. More militia and internal troop patrols have been put on the streets in the town, said Magomed Magomedov, head of the municipal administration.

Traffic within the town has been restricted. Transport checks are carried out at the town's entry and exit points.

Special security measures have been taken at the town's vital installations. Makhachkala's and Khasavyurt's blood transfusion centers have been put on a 24-hour status.

Special security measures have also been taken in Groznyy. In connection with threats from Dudayev's people, vital installations and government establishments have been put under special protection.

A hospital in the town's Promyslovskiy district is being patrolled. Dudayev's people threatened to destroy the building. Traffic has been restricted in the town. Traffic was banned as of 1900 [1500 GMT] altogether. Vehicles disobeying this instruction will be fired on.

Security Official Says Goal To Disarm Militants

LD1501002996 Moscow ITAR-TASS World Service in Russian 2020 GMT 14 Jan 96

[FBIS Translated Text] Moscow, 14 Jan (ITAR-TASS) — "Our current thrust is to let these criminals through onto Chechnya's territory without their arms, so that the special commission can consider the guilt of every man in the current situation," said Aleksandr Mikhaylov, head of the Russian Federation Federal Security Service's public relations center in an interview put out by Russian Public TV this evening.

He also called on Dagestan's people and, above all, on those living in Khasavyurt District and those districts inhabited by Chechens, not to react to provocations or to influence the development of the situation in any way. He said everything possible was being done to save the hostages' lives and to release them. "We are going for all manner of compromises," noted Mikhaylov.

Chechen Rebel Leader Interviewed 9 Jan

WS1601113996 Warsaw GAZETA WYBORCZA in Polish 16 Jan 96 p 6

[Interview with Chechen rebel Salman Raduyev, by freelance reporter Miroslaw Kuleba; "Salman

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Raduyev's Only Press Interview: Helicopters Were the Target"]

[FBIS Translated Text] Pervomayskoye, 9 Jan — *"The holiest aim of our war, of every mujahedin, is to die for Allah," says the leader of the Chechen soldiers who attacked Kizlyar, in Dagestan, on 8 January.*

[Kuleba] Why did you attack Kizlyar?

[Raduyev] The operation in Kizlyar, just like the attack launched on 17 December on Gudermes, the second largest city in Chechnya, was planned by the State Defense Council of the Ichkeria Chechen Republic (the official name of Dzhokhar Dudayev's Chechnya — ed.). Both were sabotage operations designed as a mass attack on military sites located on the occupied Chechen territory and in Dagestan. In Gudermes, we attacked military units, in Kizlyar — a helicopter base. We received intelligence reports that we would find eight helicopters at the air base in Kizlyar. They were to bring NURS [unguided] missiles used by the Russians to attack Chechen villages. The operation was launched with the sole aim of destroying the base and the military town, and subsequent events were only a small alteration of the plan. We had to take the hospital in self-defense.

[Kuleba] You had not planned attacking the hospital and taking civilians hostage?

[Raduyev] Absolutely not, that was not our task! We did not have anything against those hostages, we got along well. We shared everything we had with them and they helped our wounded. Many of them cried when we bode them farewell. They did not want to part with us, even though we had caused them so much trouble... They understood we were acting in desperate self-defense. There were some 3,000 people at the hospital. The Dagestan authorities proved wise and foreseeing; they tried to save the hostages' lives, opposing the Russian troops which did everything to cause the largest possible number of casualties among the hostages.

[Kuleba] Who are you?

[Raduyev] We are a unit made up of the Southeast Battalion and the Northeast Battalion, as well as several minor subunits. At my side is Battalion Commander Colonel Istropilov and other commanders, whose names I will not give. The losses we sustained are minor, but death is unavoidable. War is war.

[Kuleba] [Russian Interior Minister] General Kulikov said on television that Raduyev's time has come...

[Raduyev] Everybody's time comes. When Allah beckons us, we will go to Him. Some people do not understand this, but the holiest goal of our war, of every mujahedin, is to die for Allah.

The author is a freelance reporter from Zielona Gora.

Economic Issues

Deputy Premier Chubays Rejects 'Populist Measures'

MM1501152496 Moscow ROSSIYSKAYA GAZETA (Business in Russia Supplement) in Russian 13 Jan 96 p 9

[Unattributed, untitled report under the general heading "Business Chronicle"]

[FBIS Translated Text] The conditions have been created in Russia for potentially rapid economic growth, but their realization will depend on the development of the political situation, Anatoliy Chubays, first deputy chairman of the Russian Federation Government, has stated in London. The first vice premier admitted that "the situation in Russia is still very complex, and the population's real living standard is very low." At the same time, A. Chubays said that he is "categorically opposed" to the adoption ahead of the election of populist measures which would be economically harmful.

Central Bank Chair Addresses Bank Territorial Leaders

MM1601141496 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 9

[Report by Maksim Zarezin: "Dollar Will Not Remain Without Guardianship"]

[FBIS Translated Text] At a meeting with the leaders of the Central Bank of Russia's territorial organs Sergey Dubinin, chairman of the Central Bank, summed up the results of the past year and read out the program of actions for the immediate future.

Thus in speaking of the policy of refinancing commercial banks, Sergey Dubinin noted that in 1995 there were 12 credit auctions in which 319 banks took part and credits worth 538 billion rubles [R] were supplied at interest rates ranging from 90 percent to 204 percent per annum. The nonreturn of credits over the past year was R40-70 billion, which is approximately equal to the size of one auction.

Within the framework of the program to improve the refinancing system a procedure has been developed for granting commercial banks collateral and stabilization credit. While the former credit is designed for steadily operating banks, it is planned to link the granting of the

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latter type of credit with the elaboration of measures to clear up this credit institution.

A draft provision has also been prepared on compulsory reserves which will include the remains only of deposit and time-deposit accounts. The question is being worked on of introducing a procedure for the temporary use of compulsory reserves funds — it is not hard to guess that this concerns the "exemplary" banks.

A new procedure for calculating compulsory economic normatives is in the pipeline — there are 12 of them and they will be of equal importance for all types of credit and financial institutions. Sergey Dubinin stressed that the Central Bank is aware of how complicated it is for banks to transfer to the new system, but this transfer should be completed by the end of the year. So as of 1 March banks are asked to use the new normatives as guidelines and to structure their work so that by the beginning of next year they will reach the required standard.

As for the transition to work with the new plans for book keeping, in all likelihood two years will be required for that. This year the new system will be worked out and cadres will be trained and in 1997 its direct introduction will be completed.

The Central Bank chairman preferred not to reveal the prospects for the currency band in the second half of the year, merely noting that a somewhat different method may be chosen for restricting the dynamics of the alteration of the currency exchange rate, for instance the establishment of some kind of central exchange rate with set deviations in one direction or another, or there will be support for a different option but in any case long-term regulation will be retained.

Sergey Dubinin complained that budget arrears arising as a result of failures of the tax and customs organs are making it necessary to resort to the excessive issue of state securities which have to be distributed at too low a price. If in the year which has now started we manage to reduce emission then there will be a reduction in the rate for state short-term loans and federal loan bonds. Since the entire system of interest rates is geared to this rate we can expect this to have a beneficial effect on the Central Bank's prime rate and the rates of commercial banks and access to credit resources will thus be eased. The volume of the state securities market has now reached R75 billion and 57 percent of the budget deficit is covered through their distribution while the rest is divided equally between the sale of precious metals and the attraction of currency credits.

Sergey Dubinin announced that the Central Bank main administrations and the national banks will in all likelihood be presented with the functions of licensing banks and registering branches. In the Central Bank chairman's opinion work must be done more actively locally with "problem" banks, using the methods of revealing all kinds of deviations from the norm in the activity of credit and finance institutions.

Currency Market Strengthens Nonspeculative Aspect

MM1501150496 Moscow FINANSOVYYE IZVESTIYA in Russian 11 Jan 96 p 3

[Article by Sergey Mitin: "The Dollar in Russia and Abroad" — received via Internet]

[FBIS Translated Text] The results of currency exchange market trading in Moscow show that contrary to many economists' expectations the currency segment of Russia's financial market has not diminished. On the contrary, foreign currency dealings are increasing. U.S. dollar dealings continue to dominate the structure of currency turnover at the Moscow Interbank Currency Exchange. In 1995 they totaled $23.5 billion or around 95 percent of total currency turnover. In 1994 the volume of dollar dealings at the Moscow Interbank Currency Exchange reached $23.6 billion. However, the overall fall of $100 million is extremely relative because the net turnover rose sharply from $10.9 billion in 1994 to $14.2 billion in 1995. These figures illustrate the processes caused by the corresponding changes in market conditions and the currency regulations.

First, the compulsory sale of a proportion of hard currency earnings in the currency exchanges was finally abolished last year. The development of the interbank nonexchange market enabled the Central Bank painlessly to redirect the bulk of foreign currency receipts from the commodity exchange to the internal market. Thus foreign currency revenue no longer has to pass via the exchange trading floor. Exchange dealings remain attractive to commercial banks and their clients for a number of reasons, however: Operations there are completely reliable and the exchange rate is sometimes more attractive because the Central Bank's stabilizing operations guarantee that the terms are acceptable.

The second factor which made currency trading via the exchange less attractive was the introduction of the currency band in the middle of last year. Arbitrage currency dealings became considerably less effective. However, the exchanges' role was boosted again at the end of August after the nonpayments crisis hit the nonexchange interbank market.

The increase in net turnover suggests that the exchange has now become a conventional trading floor. The compulsory sale of a proportion of hard currency earnings

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in the exchanges at a time of high inflation meant that gross turnover was exaggerated because of the need to legalize dollar receipts. Clients simultaneously bought and sold hard currency. The increased reliability and effectiveness of ruble investments cleansed the structure of client operations in Russia's currency exchanges.

According to certain assessments Russia's foreign trade turnover rose by 15-20 percent in 1995. Under the old rules it would be logical to expect the corresponding growth in the currency exchanges but that is not happening today. Various factors have led to a stabilization of turnover in the currency exchange market. Now the currency exchange market can grow by increasing the range of currencies in which it trades and by introducing new instruments.

In 1995 there was a perceptible increase in the volume of deals (gross) in the German mark [DM] (from DM1.33 billion in 1994 to DM1.56 billion), the French franc [Fr] (from Fr20 million to Fr357 million). Dealings in the British pound began: Trade totaled 2.1 million pounds. Meanwhile, there was still considerable turnover in soft currency auctions. It has to be noted that the banks have received these innovations enthusiastically. For example, the introduction of the Frankfurt fix has significantly increased trading in the German mark and the French franc. This is because the Frankfurt fix allows more significant changes in exchange rates, which is more attractive to short-term speculative investments.

Against the background of the development of regional currency markets the Moscow Interbank Currency Exchange is still the main trading floor for the dollar — with 76 percent of exchange market dealings — and to a certain extent in the German mark — 40 percent of total turnover. Against the background of the stabilization in currency market turnover there has been a rapid growth in the state securities market, which has created the impression that the currency market is of secondary importance. In fact, in 1995 dealings in the short-term state bond and federal loan bond market reached 76.6 trillion rubles [R] (R10.6 trillion in 1994). Stock market dealings in state securities totaled R282.9 trillion (R27.5 trillion in 1994) or an average daily volume of R0.86 trillion. Around 2 percent of total turnover is currently accounted for by the regional trading floors in Novosibirsk and St. Petersburg.

In the year ahead the state securities market looks set to maintain its growth rate. However, the currency market is growing qualitatively, not quantitatively, unlike the state securities market. This fact is confirmed, among other things, by the rapid development in trading in fixed-term contracts in the Moscow Commodities Exchange and the MFFB [expansion unknown; possibly Moscow Financial Futures Exchange]. The Moscow Interbank Currency Exchange has also developed futures and options for the U.S. dollar and 3-month state securities. Some 107 banks and finance companies have already become members of the fixed-term market section. In addition, a plan for electronic currency trading is being developed. All this indicates that the currency segment of the financial market has lost its speculative appeal but not its significance. Economic stabilization is sorting everything out.

Output To Go On Falling, Incomes To Increase in 1996

MM1501114296 Moscow FINANSOVYYE IZVESTIYA in Russian 11 Jan 96 p 2

[Report by Vadim Ivanov and Vladimir Yelakhovskiy, experts at the Institute of the Economic Problems of the Transitional Period: "This Year To Bring No Notable Successes" — received via Internet]

[FBIS Translated Text] The following forecast has been made on the assumption that the dynamics acquired by economic indicators in the second half of 1995 will continue.

Forecast Economic Indicators in Russia 1996 (percentage change)

	Q1	Q2	Q3	Q4	Y96
Industrial production	-0.7	-1.4	1.0	2.5	-3.4
Consumer prices	10.3	8.7	7.5	6.6	37.5
Real monetary income (per capita)	-8.6	11.4	8.9	11.1	19.7

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	Q1	Q2	Q3	Q4	Y96
Real earnings (average monthly)	-5.2	12.0	8.5	10.5	22.5
Unemployed (registered)	10.0	-0.4	0.2	2.6	13.0

1. The quarterly dynamics of industrial production reveal weak growth. But that growth is enough to compensate for the notable slump in July 1995 — consequently, production levels for 1996 as a whole will be 96.6 percent of production levels in 1995.

2. The continuation of the firm policy of bearing down on inflation will lead to a further slowing of quarterly consumer price growth. Average monthly price growth in the fourth quarter of 1996 will be 2.2 percent. Prices will rise by 37.5 percent over the year.

3. The growth of the population's money incomes over the year will run ahead of price growth. Average per-capita money income in the fourth quarter will reach almost 1.3 million rubles a month. As a result, the population's real income will grow by 19.7 percent. But the quarterly dynamics of real incomes will fluctuate — a 9-percent decline in the first quarter will give way to quarterly growth of 9-11 percent.

4. Average earnings will display similar dynamics. They will increase by more than 90 percent in 1996. This will lead to real earnings growth of 22.5 percent.

5. The number of unemployed will increase by 13 percent over the year and will be approaching 2.6 million by early 1997.

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International Affairs

Kuchma Letter to Yeltsin on Hostage Crisis

LD1501160396 Kiev UNIAN in Ukrainian 1355 GMT 15 Jan 96

[FBIS Translated Text] Kiev [no date as received] — Ukraine's President Leonid Kuchma has sent a letter of condolence to Russian Federation President Boris Yeltsin, concerning the tragic events in the town of Kizlyar.

According to the foreign ministry, in the letter Kuchma says that the Ukraine has always condemned hostage-taking, not to mention killing hostages. Ukraine stated the same position during the Budennovsk crisis.

Kuchma said the Kizlyar tragedy again exposed the criminal nature of terrorism. "Resolute efforts are required to eradicate it, including efforts on the part of the world community," the letter says. All problems should be solved at the negotiating table, without using force and avoiding unjustified victims.

Kuchma, Gore Discuss Bilateral Relations, Chernobyl

LD1301182796 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 13 Jan 96

[FBIS Translated Text] Bilateral relations and cooperation on the international scene were discussed at a meeting between Ukraine's President Leonid Kuchma and U.S. Vice President Albert Gore. As was reported, the two men took part in the mourning ceremony of bidding last farewell to the late ex-president of France, Francois Mitterrand.

During the conversation, Albert Gore spoke highly of the recent meeting between the defense ministers of Ukraine, Russia, and the United States in Kiev, and of the three states' joint efforts in the field of nuclear disarmament.

On his part, Kuchma expressed satisfaction with the signing of the memorandum on mutual understanding between the governments of Ukraine and the G-7 countries as regards the closing down of the Chernobyl nuclear power station. Incidentally, he pointed out the need to implement in concrete terms the plans for assisting Ukraine in the elimination of the aftermath of the Chernobyl nuclear power station accident and in closing down the station.

Gore assured Kuchma of the United States' readiness to promote at the international level the implementation of the agreements reached under the memorandum.

Kuchma's meetings in Paris with France's President Jacques Chirac, Federal Chancellor of the FRG Helmut Kohl, Israel's Prime Minister Shim'on Peres, Finland's President Martti Ahtisaari, and President of the Czech Republic Vaclav Havel were devoted to issues of expanding bilateral dialogue, [word indistinct] cooperation and exchange of official visits.

Press Secretary on Kuchma-Kwasniewski Meeting

LD1501195796 Moscow INTERFAX in English 1755 GMT 15 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The first meeting of President Leonid Kuchma and Aleksander Kwasniewski, the new Polish President, was a beginning of an in-depth dialog of the two countries the consequences of which are important for entire Europe, Dmitriy Markov, Kuchma's press secretary, believes.

Markov told Interfax that the meeting was highly promising.

Kuchma congratulated Kwasniewski on his election, said that Ukraine regards Poland as a special partner and called for a significant expansion of bilateral relations, Markov said.

Both presidents agreed that the bilateral relations should be significantly improved. They supported activation of the bilateral advisory committee of the two presidents. The two men gave much attention to expansion of economic cooperation, trade and business ties between their countries, Markov emphasized.

Kwasniewski invited Kuchma to come to Poland on an official visit in 1996. The invitation was accepted.

Markov also said that Kuchma will visit Finland on February 8 and 9, 1996, as agreed between Kuchma and his Finnish counterpart Marti Ahtisaari in Paris on January 11. IF Note: Originally the visit was scheduled for January 10 and 11 but had to be put off because of Mitterand's death.

The visit is to culminate in signing of an intergovernmental agreement on early reporting of nuclear accidents, a memorandum of understanding in nature conservation and an agreement on cooperation between the Ukrainian Chamber of Commerce and Industry and the Finnish Central Chamber of Commerce.

A joint protocol is also to be signed on cooperation between the Ukrainian League of Industrialists and Entrepreneurs and the Finnish Central Union of Industry and Employees.

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President Kuchma Departs for Meeting With Yeltsin

LD1601113196 Moscow INTERFAX in English 1010 GMT 16 Jan 96

[FBIS Transcribed Text] KIEV, Jan 16 (Interfax-Ukraine) — Ukrainian President Leonid Kuchma left for Moscow on Tuesday morning. During the one-day visit he is expected to meet Russian President Boris Yeltsin.

The Ukrainian president told reporters yesterday that under discussion would be the expansion of bilateral relations.

Kuchma hopes that the meeting will help draw closer the signing of a treaty on friendship and cooperation between Ukraine and Russia. He believes that the treaty could be signed as early as within the first six months of 1996.

Speaking about the upcoming meeting with the Russian president, Kuchma said that under discussion will be economic relations, including issues of free trade, the customs union and the Black Sea Fleet.

Kuchma on Meeting, General Treaty

LD1501205096 Moscow INTERFAX in English 1911 GMT 15 Jan 96

[FBIS Transcribed Text] KIEV, Jan 15 (Interfax - Ukraine) — Ukrainian President Leonid Kuchma hopes that his meeting with Russian President Boris Yeltsin, scheduled for Tuesday [16 January], will accelerate the signing of a general treaty between Ukraine and Russia.

Kuchma told journalists in Kiev Monday evening that the treaty may be signed as early as in the first half of 1996.

Kuchma described stabilization of relations with Russia as a major issue of the upcoming summit. In particular, the two presidents will discuss economic cooperation and the issue of the Black Sea Fleet.

Kuchma denied there was any "problem" of the Black Sea Fleet. The defense ministers of both countries have lately done much to resolve the issue, he said.

The working meeting between Kuchma and Yeltsin is expected to be held in Moscow Tuesday afternoon. Kuchma will leave for Moscow Tuesday morning.

Yeltsin, Kuchma Meet in Kremlin

LD1601122696 Moscow ITAR-TASS in English 1151 GMT 16 Jan 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Transcribed Text]MOSCOW, January 16 A working meeting between Presidents Boris Yeltsin of Russia and Leonid Kuchma of Ukraine began in the Kremlin on Tuesday. Apart from the Heads of State, The one-on-one meeting involves only presidential advisers on international affairs.

A broad spectrum of matters concerning bilateral relations is under discussion at the meeting, which had been agreed upon way back in Paris, where Boris Yeltsin and Leonid Kuchma attended the funeral ceremony for the late Francois Mitterrand, Kremlin experts have told Itar-Tass.

In particular, the two presidents are planning to review the drafting of a Russo-Ukrainian "grand treaty", which is to become the main political document to lay down a legal basis for relations between the two countries.

Analysts believe that the two presidents are also to discuss issues connected with the future of the Black Sea Fleet, preparations for the forthcoming CIS summit, due to be held in Moscow on January 19, and prospects for the expansion of cooperation between the two countries in the socio-economic field.

Disagreements With Russia Over Oil Transit Prices

WS1601101996 Lvov INFOBANK in English 0940 GMT 16 Jan 96

[From "News Service" feature]

[FBIS Transcribed Text] On January 15, during a press conference, the chairman of the Ukrainian National Committee on Oil, Gas and Oil Refining, Yevhen Dovzhok, told those present that the Russian Fuel and Energy Ministry refused to accept new prices for piping services proposed by Ukraine. This happened irrespective of the fact that the management of the Ukrainian Administration of Main Oil Pipeline Druzhba ("Friendship") had informed them about the following increase in the cost of piping services in advance. A refusal of the Russian side to accept new prices led to the termination of piping of Russian oil to the Czech Republic, Slovakia, and Hungary on January 1.

Yevhen Dovzhok said that oil piping to Hungary was resumed on January 3, and to the Czech Republic and Slovakia on January 9. He stated that during January and February they can make up for the amount of oil which had not been supplied. However, this will

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be possible only after they reach understanding with the Russian Fuel and Energy Ministry. The chairman of the Ukrainian Oil and Gas Committee said that his committee notified the Russian side about the following 10-percent increase in tariffs on oil piping through the Ukrainian territory on November 22. During the previous month, no objections were received from the Russian side. The management of the Administration of Main Oil Pipe-Line Druzhba signed agreements on services with new tariffs with twenty-eight companies engaged in exporting Russian oil to Eastern Europe. However, on December 27, the Russian Fuel and Energy Ministry sent a letter to the Ukrainian National Committee of Oil, Gas and Oil Refining and appealed against a decision on the increase in tariffs. In its turn, the Ukrainian Oil and Gas Committee sent three telegrams to Russian Fuel and Energy Minister Yuriy Shafranyk and deputy ministers with a proposal to hold talks in Kiev or Lvov and consider the disputable issues.

First reply from Yuriy Shafranyk was received only on January 12 He demanded to hold talks in Moscow and to return to previous transit tariffs. The latter was a prerequisite for these talks. Chairman Dovzhok called these terms an ultimatum. He added that in any case Ukrainian tariffs on oil piping are the lowest in Europe. According to new tariffs, in 1996, Russia is to pay only $0.72 for the repumping of one tonne of oil through 100 kilometers of Ukrainian territory. Mr. Dovzhok emphasized that similar services cost Russia $1.3 in Poland and $1.0 in the Czech Republic. For this reason, Ukraine should not give up newly-proposed prices.

BSF Commander: Yalta Agreement Must Be Extended

LD1501200796 Kiev UNIAN in Ukrainian 1830 GMT 15 Jan 96

[FBIS Translated Text] Sevastopol — "It is now essential to extend the Yalta agreement on subordinating the Black Sea Fleet to the Russian and Ukrainian presidents, because one side is not managing to cede fleet facilities and ships on time, and the other is not managing to accept them on time," Black Sea Fleet Commander Vice Admiral Eduard Baltin said at a briefing on 15 January.

He noted that the acceptance and transfer of Black Sea Fleet facilities "is not a political problem, but a material and technical one." According to Eduard Baltin, 24-28 billion Russian rubles are needed for measures linked to the transfer of the Black Sea Fleet naval base in Donuzlav to the Ukrainian Navy.

In Admiral Eduard Baltin's opinion, if the fleet on the Black Sea is finally divided, "there will be neither a Russian nor a Ukrainian fleet."

Russian Missile Chief on Nuclear Payload Transfers

WS1601093896 Kiev INTELNEWS in English 0128 GMT 16 Jan 96

[FBIS Transcribed Text] Kiev, Jan. 15 — All the strategic nuclear military payloads remaining in Ukraine, Belarus and Kazakhstan after the breakup of the Soviet Union must be transported to Russia in the first half of 1996, Gen.-Col. Igor Sergeyev, commander of Russian strategic missile troops, said Monday.

According to Sergeyev, disbanding of missile divisions and destruction of intercontinental ballistic missile silos in Ukraine and Belarus are proceeding "strictly according to schedule." This process is successful in Kazakhstan too, he said.

Sergeyev mentioned that in Ukraine full disbanding of missile units and destruction of silos destruction is planned to be completed by the end of 1998, as specified by the START I Treaty.

More than 300 strategic nuclear military loads still remain in Ukraine, while about 1,000 have been removed from the country and delivered to Russia for utilization.

Kiev To Seek Compensation for Nuclear Weapons

WS1201095496 Kiev INTELNEWS in English 0113 GMT 12 Jan 96

[By Oleksandr Pukhov, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, Jan. 10 — Ukraine is seeking to bring up the question of compensation for the tactical nuclear weapons it surrendered to Russia shortly after independence, Defense Minister Valeriy Shmarov told journalists in Kiev on Wednesday [10 January].

According to Shmarov, agreement about the consideration of this question at the highest state level was achieved during his Jan. 5 meeting with Russian Defense Minister Pavel Grachev in Kiev.

A meeting between Ukrainian President Leonid Kuchma and Russian President Boris Yeltsin at a Jan. 19 CIS heads of state summit in Moscow may be the venue for this discussion, Shmarov said.

The nuclear weapons, operational and tactical missiles, were exported from Ukrainian territory in 1992 and 1993. During the ensuing years, Ukraine raised the question of compensation several times.

Shmarov said that the withdrawal of nuclear intercontinental ballistic missiles is proceeding according to the schedule agreed upon with Russia.

He said that the destruction of a missile silo in Pervomaysk, which was witnessed by him, Grachev and U.S.

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Defense Secretary William Perry, has raised Ukrainian prestige in the international arena.

He said this is in conformity with the spirit of Ukrainian commitments to world security as well as with the fact that, having won its independence, Ukraine immediately recognized itself as a nuclear-free and non-aligned state.

Russian Intelligence Operations in Crimea Viewed

LD1501200196 Kiev UNIAR in Ukrainian 1645 GMT 15 Jan 96

[FBIS Translated Text] Sevastopol — The Black Sea Fleet intelligence is operating fairly legally on Ukrainian territory, the FLAG RODINY [Flag of the Homeland] newspaper reports.

Every day tens and hundreds of people come on duty at the third communications unit, begin their working day at the 530th Black Sea Fleet information center, and fulfill their duties in groups providing clandestine intelligence.

They have access to open and closed communications channels, listen to the air waves on practically all bands and frequencies. The shore is also monitored, and every take-off and landing of base aircraft recorded.

After Ukraine signed the international Partnership for Peace program, the Ukrainian Navy drew a good deal of attention from the Black Sea Fleet intelligence, especially participation by Ukrainian servicemen in joint exercises in Black Sea waters.

As the Black Sea Fleet is reduced, so formally are the technical services and personnel of intelligence units. At the same time, the strength of the sub-unit servicing the network of agents has been increased, although not by much. Money in a stable currency is being received by this sub-unit from the territory of Russia.

National Affairs

Kuchma Attends SBU Meeting, Praises Performance

WS1601103996 Kiev UKRINFORM in English 0955 GMT 16 Jan 96

[From the "Current Events" feature]

[FBIS Transcribed Text] On Monday, January 15, President Kuchma attended a session of the Ukrainian Security Service Collegium, which was held in Kiev. The session's agenda focused on the Security Service overall performance in 1995, primarily in fighting against organized crime.

According to the Security Service press center, Mr. Kuchma made a speech at the session in which he presented his appraisal of the Security Service performance and outlined its major tasks for 1996.

The session was attended by National Security Council Secretary Volodymyr Horbulin and Prosecutor General Hryhoriy Vorsinov.

Moroz Views Upcoming Supreme Council Session

LD1501220996 Kiev UNIAR in Ukrainian 2030 GMT 15 Jan 96

[FBIS Translated Excerpt] Kiev — To a question from mass media representatives as to whether there are guarantees that the president will keep the Supreme Council, Oleksandr Moroz replied as follows, at a news conference devoted to the beginning of the fifth session: "I am not convinced of this. Just as I am not convinced that the Supreme Council will keep the president." He added that "only the Supreme Council itself can eliminate the Supreme Council."

In Mr. Moroz's opinion, this session will be extremely intense; approximately 370 issues are practically ready for debate. It would be a good thing if the session manages to examine approximately 150-160 issues between January and July, he believes.

Oleksandr Moroz said the priority issues submitted to the session include adoption of the constitution, and expressed the hope that this will be done before the end of this session. Another priority is the state budget and everything linked to it. The budget will be examined in January, and Oleksandr Moroz hoped that this document will at least be adopted at first reading. Other issues include the constitutional court, the Supreme Council supervisory chamber, and the electoral law. [passage omitted]

Republican Party Opposes Treaty With Russia

LD1101223596 Moscow INTERFAX in English 1940 GMT 11 Jan 96

[FBIS Transcribed Text] LVOV, Jan 11 (Interfax - Ukraine) — The Ukrainian Republican Party strongly opposes the signing of a Ukrainian-Russian Friendship and Cooperation Treaty, a party leader said.

Ukraine cannot make friends with a country which is the most audacious violator of the international law and UN Charter, said deputy chairman of the party Aleksandr Shandryuk, MP, at a news conference in the western city of Lvov. He argued that Russia neglects human rights and the right of nations to self-determination.

Shandryuk said the entire framework of treaties with Russia has been created under the Russian pressure and chiefly in the interests of Russia.

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Agreements on division of the Black Sea Fleet, restructuring debts and the zero option in the division of the former USSR's assets and liabilities illustrated his point, Shandryuk feels.

Community Protests Lack of Russian TV in Crimea

MM1201165496 Moscow TRUD-7 in Russian 12-18 Jan 96 p 11

[Report by ITAR-TASS correspondent Lev Ryabchikov under the "Fact and Commentary" rubric: "Russia Can Scarcely Be Seen Through the Window of TV"]

[FBIS Translated Text] Simferopol — Although 70 percent of the population of Crimea are Russians, they are effectively deprived of the opportunity to receive news from Russia. Radio and television are blocked, and Russian newspapers and journals reach the peninsula in limited quantities. There is no Russian literature in the stores or libraries. There is not a single artistic collective specializing in Russian folklore.

This was stated in a letter that the Russian Community of Crimea sent to the Crimean parliament. It asked the deputies to discuss the question of opening a Russian editorial office in Crimean television. Especially since national editorial offices for the Crimean Tatars, Ukrainians, Greeks, Armenians, and Bulgarians have existed there for a long time.

Having discussed the situation, the autonomous formation's Supreme Council decided "with a view to harmonizing international relations and supporting the development of national culture and the right to information," to set up within the "Crimea" State Television and Radio Company a Russian national studio (for television) and a Russian national editorial office (for radio). The government is instructed to hold the necessary talks with the Ukrainian Cabinet of Ministers and State Television and Radio by 20 January. But the Kiev bodies' position on this matter is hardly likely to change. They already all speak Russian in Crimea, and that is quite enough, in the Ukrainian leadership's view.

As a counterweight, Russian speech is being consistently forced off the radio and television. Last year "Mayak" fell silent in Crimea. ORT was moved from television channel one to channel two and its transmission time was restricted. In the morning, after the end of the latest episode of the television serial, it breaks off until 1700 hours. Only after that time does a television window on Russia open for the Crimeans. For just seven hours. At midnight, even if a gripping thriller or a world classic movie is being shown, ORT is cut off.

So on New Year's Eve the Crimeans were worried: Would they be able to see the holiday program from Moscow? The leadership of the local radio and television broadcasting center warned: Unless the government pays its debt for the transmission of ORT programs in November-December, there will be no "movies" on New Year's night. The government found the necessary sum in the empty budget purse, and the Crimeans were able to watch TV programs from Moscow until Near Year's morning. But after the holidays the rationing of ORT resumed.

It is only natural for the Crimeans to be bewildered: Surely the Russian leadership could find some way of ensuring reliable television links between their compatriots in Crimea and Moscow?

Economic Issues

Kuchma Approves Creation of Gold Fund

WS1201095696 Kiev INTELNEWS in English 0113 GMT 12 Jan 96

[FBIS Transcribed Text] Kiev, Jan. 11 — President Leonid Kuchma approved the creation in Ukraine of a Gold/Diamond Fund to be organized by the National Bank of Ukraine [NBU] and the Kiev Archeology Institute.

While the NBU already stores much of the highest achievements of Ukrainian jewelers in its treasury, the new project also involves the creation of a workshop on manufacturing gold coins. The staff for the workshop is being formed from professional jewelers, invited from all over Ukraine.

NBU Governor Viktor Yushchenko told INTELNEWS that the "architecture" of the gold market was practically restored by 1996, with the opening of NBU points for purchase of precious metals in 25 oblasts. Special equipment for gold examination, weighting and other operations have been installed. Collection of purchased metals will be carried out in Kiev.

Everything seems to indicate that the NBU intends to fight to restore the size of Ukraine's gold reserves. In 1991, this volume exceeded 140 tons, but throughout the last five years it has been considerably reduced.

Ukraine To Stay Outside CIS Customs Union in 1996

MK1301081296 Moscow NEZAVISIMAYA GAZETA in Russian 12 Jan 96 p 3

[Report by Andrey Kapustin: "Kiev Does Not Intend To Join Customs and Payments Unions"]

[FBIS Translated Text] At a briefing held a few days ago, Volodymyr Kuznetsov, first aide to the president,

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said that in 1996 Ukraine does not intend to join the Customs and Payments Unions of the CIS countries. In his opinion, the experience of the states which have joined the Customs Union shows that at the grassroots level the people do not support such actions of their leaders. No less important is the fact t?at the issue of introducing a common monetary unit on CIS territory has not yet been finally resolved. Mr. Kuznetsov emphasized that economic relations with the CIS countries and, above all, Russia will be strengthened. In his words, it is necessary to "improve trade cooperation with Russia and Tajikistan, Ukraine's primary partners."

Meanwhile, in Volodymyr Kuznetsov's opinion, an essential prerequisite for the introduction of a new national currency — grivna — is to attain the rate of inflation at a level no higher than 40-50 percent a year, as well as to maintain the deficit of the 1996 budget no higher than at 6 percent of gross domestic produc'. Under such conditions, Volodymyr Kuznetsov believes, grivna may be introduced in spring or in early sUkk?r. The ?irst aide to the president said that the monetary reform will not have a confi?cation-like nature, and devaluation will be performed as a ratio of 1:10,000 or 1:100,000. The largest nominal value of the new currency will be 200 grivnas. This should assure money turnover in Ukraine. Now the largest bill denomination in Ukraine is 1 million karbovanets. In Mr. Kuznetsov's opinion, had grivna been introduced in 1995, kopecks, which are base coins of grivna, would have had to be withdrawn from circulation in Ukraine as early as in the beginning of 1996. The time for the introduction of the new currency was last put off in late September 1995. At that time, the leaders of Ukraine explained the postponement by changed favorable conditions for a monetary reform, that had existed in summer of 1995. In addition, Ukraine has so far been unable to settle with the International Monetary Fund the matter of receiving a credit to form a stabilization fund for the introduction of a national currency. Domestic experts estimate that about $1.5-2 billion need to be received for this purpose.

Cabinet of Ministers To Raise Wages, Pensions

WS1201122096 Lvov INFOBANK in English
1051 GMT 12 Jan 96

["News Service"]

[FBIS Transcribed Text] On January 10, Ukraine's Cabinet of Ministers approved several socially-oriented resolutions.

According to the resolution on "Increasing wages for employees of governmentally subsidized businesses and organizations as of 1 January 1996," a 12 percent increase will be applied to evaluated wage rates and salaries for employees of governmentally subsidized institutions, military and law enforcement personnel, and cadets studying at military institutions.

According to the resolution on "Increasing the amount of pensions granted before 1 January 1996 and procedures for calculating pensions granted after 1 January 1996," pensions will be increased 1.922 times.

The amount of monthly assistance to be provided to citizens unable to work who have a monthly income of less than KBV [karbovantsi] 3.3 million will be raised to KBV887,000. A new level for student scholarships studying at universities and institutes has also been set — KBV1.43 million (previously KBV820,000), as has the level for students studying at technical colleges and specialized schools — KBV1.23 million (previously KBV700,000). State assistance for families with newborn children, families with many children, and single mothers will also increase, as will the amount of compensation being given to victims of the Chernobyl nuclear power plant accident.

Government Raises Fees for Utilities, Housing

WS1201122196 Lvov INFOBANK in English
1051 GMT 12 Jan 96

["News Service"]

[FBIS Transcribed Text] On January 10 Ukraine's Cabinet of Ministers passed a resolution which stipulates that as of January 1 of this year, residents will be required to pay no less than 60 percent of the actual cost of maintaining water, centralized heating and sewage services.

This same resolution raises the monthly rate for one square meter of apartment space from KBV [karbovantsi] 6,000 to KBV10,000. Persons occupying apartment space significantly larger than the accepted per-person norm will pay 1.2 times more.

Government Increases Aid to Needy

WS1501101396 Kiev INTELNEWS in English
0427 GMT 15 Jan 96

[FBIS Transcribed Text] Kiev, Jan 14 — The Cabinet of Ministers has increased financial assistance to low-income disabled people, students on scholarships, Chernobyl victims and the unemployed. As of Jan. 1, financial aid in the amount of about KBV887,000 [karbovantsi] (less than $5) will be paid to disabled people whose incomes are less than KBV3.3 million per month. If applying to the regional committee on social assistance, the aid may be raised to KBV1.5 million.

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Students scholarships are supposed to be KBV820,000 to KBV1.33 million after Jan. 1, depending on progress in studies. Scholarships for postgraduate students will be KBV 8.33 million.

Mothers with newborn children are going get a one-shot grant of KBV 3.23 million. Monthly unemployment allowance will be from KBV 1.13 million to 1.5 million. People looking after invalids of the first group will get financial assistance in the amount of KBV 430,000 per month.

People living on the territories contaminated by radioactivity caused by Chernobyl disaster are supposed to get KBV145,000 to KBV235,000 depending on the category of the territory. From KBV17.11 million to KBV34.23 million will be paid on a one-shot basis to Chernobyl invalids.

NBU Restricts Securities Trading to UICE Members

WS1201095796 Kiev INTELNEWS in English 0113 GMT 12 Jan 96

[FBIS Transcribed Text] Kiev, Jan. 10 — The National Bank of Ukraine [NBU] announced the prohibition, effective Jan. 9, of all trading in government securities outside of the Ukrainian Interbank Currency Exchange (UICE).

As of Jan. 11 regularly-scheduled secondary trading in governmental securities will take place weekly at the UICE. Trading will be held on Thursdays through electronic means.

Only those banks which are members of the UICE's stock section will be allowed to take part in trading at the exchange. Presently such banks are UkrInBank, Elektron-Bank, TransBank, HradoBank, UkrKreditBank, LehBank, PerKomBank, BrokBiznesBank, Hrant, and InterBank.

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Belarus

Moscow Trying To Appropriate Uranium From Belarus Missiles

LD1101193796 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 11 Jan 96

[FBIS Translated Text] Russia is attempting to appropriate the uranium extracted from the strategic missiles being withdrawn from Belarus. This was said by Petr Krawchanka, the Belarusian republic's former foreign minister.

[Correspondent] According to Krawchanka, Moscow concealed tactical economic data from Minsk about the uranium in the missiles deployed in Belarus. A secret protocol of the two countries' leaders on this was signed back in the summer of 1992. The missiles have almost entirely been withdrawn, and Moscow is appropriating the uranium extracted from them. The amount that Belarus could claim equals, according to the former foreign minister, to $1.5 billion.

Official Views Uranium Dispute With Russia

WS1201131696 Minsk ZVYAZDA in Belarusian 9 Jan 96 p 11

[Interview with Pyotr Krawchanka, Belarusian people's deputy and former foreign minister, by INTERFAX correspondent Vyachaslaw Zyankovich; place and date not given: "Pyotr Krawchanka: 'The Belarusian People Have the Right to Compensation for Uranium From Tactical and Strategic Missiles'"]

[FBIS Translated Text] [Zyankovich] Pyotr Kuzmich, many generations of state leaders have been racking their brains over the issue as to where to find additional money for the state budget. Do you, as a specialist in international relations, have any recipe?

[Krawchanka] Yes, I do. Let us take, for example, the issue of compensation for uranium extracted from tactical and strategic missiles withdrawn to Russia.

On 31 July 1991, USSR President Gorbachev and U.S. President Bush signed the START-1 treaty. The world acclaimed the treaty, since its signing to a considerable degree allayed the nuclear confrontation. At that time, I did not suspect that I would ever end up in the center of these worldwide events, and would bear a direct relation to issues concerning nuclear disarmament.

In May 1991, I signed the historical Lisbon Protocol on behalf of Belarus. This document made it possible for our Republic to become a de jure nuclear state for nine months.

We could not, and were not going to maintain Belarus' status of a nuclear state. In my opinion, we did not have to do so because the Republic was not ready to become a nuclear state. The five countries — members of the nuclear club — would simply not allow us to become a nuclear state, and what is most important, Belarus did not have the economic wherewithal to maintain its own nuclear weapons. The maintenance of nuclear weapons in the required technical condition alone requires hundreds of millions of dollars annually.

Belarus became the first country in the world to voluntarily give up the right to have nuclear weapons. Moreover, it did so consciously, without any pressure.

We actually began withdrawing nuclear weapons from Belarus in 1992. We have signed two agreements with Russia envisioning the removal of nuclear weapons from our Republic by the end of 1996. The deadline for the withdrawal of certain units of Russia's strategic troops was set for 1998, or even 1999. Belarus will be able to obtain nonnuclear status approximately by the year 2000.

The most advanced nuclear missiles of the SS-25 class are deployed in our Republic. They are transferred to the Arzamas-2 secret military complex, where they are dismantled. Following this, so-called weapons-grade uranium is extracted from them.

As a man familiar with many nuances connected with the withdrawal of strategic nuclear missiles, I will note that there were certain difficulties with meeting the timetable for their shipments to Russia. However, they have currently been overcome.

[Zyankovich] What kind of problems were there?

[Krawchanka] There were certain controversies between the Russian and Belarusian sides with regard to the timetable for the withdrawal of nuclear forces. As a man who knows state secrets, I cannot reveal the details. The missiles shipped to Russia represent an enormous potential and wealth. The uranium alone is worth a lot.

It is common knowledge that it is planned to obtain around 500 tonnes of weapons-grade uranium from missiles which are subject to dismantlement, and are deployed in Belarus, Kazakhstan, Russia, and Ukraine. According to the START-1 treaty, it will be purchased by the United States. According to Russian experts' estimates, the total value of this uranium will amount to $10-12 billion.

[Zyankovich] But does Belarus have the right to lay claims to this uranium?

[Krawchanka] I unequivocally state that it has the right to do so because the nuclear potential of the Soviet Union was created by all of its peoples and taxpayers from all republics, including Belarus.

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The property of the dissolved USSR was once divided among republics according to the so-called "zero option." This means that entities of the former Soviet Union received what they actually possessed at the time of signing an appropriate agreement.

In my opinion, this formula should not have been applied, for example, with regard to the division of the USSR Navy and uranium. In the fall of 1992, I initiated a debate on this issue with the then Supreme Soviet chairman and prime minister, Stanislaw Shushkevich and Vyachaslaw Kebich, but my proposal did not call forth particular enthusiasm.

Although the scientific potential of theoreticians in nuclear physics is great in Belarus, we do not have nuclear physics working in the practical field. Military units armed with nuclear weapons are directly subordinated to Moscow, and not to the command of the Belarusian Military District. I am convinced that even the late Pyotr Masheraw, being the first secretary of the Belarusian Communist Party Central Committee, did not know the location of around 30 nuclear missile launch sites in our Republic. Only a narrow circle from the USSR Defense Ministry Command and the Soviet Union political leadership knew this. Even I, being the Belarusian former minister, learned some details from former U.S. Secretary of State James Baker!

So when we addressed the issue of possibly beginning talks on uranium and defining our share to Moscow, Russian representatives merely laughed at us, saying that we should first prove that we knew something about the missiles.

However, the situation changed at a Belarusian-Russian meeting of state and government leaders held at the Moscow-based Presidential Hotel in summer of 1992. Commissioned by V. Kebich, I officially brought up this issue with President Boris Yeltsin, Prime Minister Yegor Gaydar, and Foreign Minister Andrey Kozyrev during the talks. I was able to make Ye. Gaydar sign a protocol officially admitting that the problem of the "Belarusian uranium" extracted from missiles withdrawn from our Republic existed. For the Belarusian side, the protocol was signed by V. Kebich. I would like to note that I drew up the text of this document in several minutes at the Presidential Hotel. The protocol was secret; it was signed in one copy, and was kept in my safe. Nobody knew about its existence, except for the Belarusian and Russian leaders.

Following this, protracted negotiations with Moscow began. Russia did everything possible to not make the dialogue on this issue substantial.

It was established that Belarus' share in the USSR's nuclear potential amounted to 10-15 percent. Our Republic can thus lay claims to approximately $1-1.5 billion. I would like to note that this sum cannot be given Belarus in one portion. I believe that it is realistic to receive this money in the course of the next seven to eight years. This can be explained by the protracted process of extracting uranium from missiles and reprocessing it into fuel for nuclear power plants. Additionally, there are some quotas for trading in uranium in the world, which are regulated by a bilateral U.S.-Russian agreement.

On 16 January 1994, during a short visit to Kiev by U.S. President Bill Clinton, a trilateral U.S.-Ukrainian-Russian agreement on uranium was signed. Ukraine currently has the full right to receive its share of compensation for uranium; moreover, not only for uranium which is obtained from strategic, but also tactical missiles. At the Belarusian-Russian negotiations, this is perhaps the main snag. The dialogue on this issue with Moscow has been proceeding very slowly over the past year and a half, without any initiative from the Belarusian side. Although the Russian side is apparently willing to share the money for uranium, it presents counter conditions: Let Belarus right now provide several tens of millions of dollars for financing the reprocessing of weapons-grade uranium into raw materials for peacetime use.

It was particularly unpleasant that the Russians concealed from us the tactical and economic data on uranium from missiles deployed in Belarus. When Russia dragged out the talks on this issue, I had to appeal to the United States. I talked with J. Baker, and repeatedly met with Senators Sam Nunn and Richard Lugar both in Washington (directly in the Congress) and Minsk. They exerted pressure on Russia, and only owing to this was it possible to achieve some progress at the negotiations. It is strange that having signed the aforementioned agreement in Kiev, B. Clinton did not sign an analogous agreement during a visit paid to Minsk at that time. I remember well the sleepless night on 15-16 January 1994 and the very intensive trilateral dialogue held between the Belarusian Foreign Ministry and B. Clinton's "team," which was in Moscow at that time. By 0500 it became clear that for unintelligible reasons the Americans would confine themselves to a general statement on this matter. It actually represented a divergence from the agreements reached previously between the Belarusian and U.S. sides.

In September 1993, Russia attempted to "grab" the nonexisting "uranium promissory note" from Belarus, proposing to clear the debt for energy sources delivered to Belarus in exchange for it. I do not know whether it was accidental or not, but it was on the eve of this attempt that the situation with deliveries of fuel essential

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for collecting crops became tense in our Republic. The paradoxical nature of this situation lay in the fact that we were expected to give up our share of uranium for a trifle, for approximately $300-400 million (this was roughly the volume of our debt for Russian energy sources). In my personal archives there is a memo written by one of our deputy prime ministers saying that Russia was apparently in a hurry (a visit to the United States by Viktor Chernomyrdin was scheduled for September 1993), and that the Belarusian Foreign Ministry should not have been so stubborn.... In this situation, I refused to meet Russia's wish half-way and "surrender" our positions.

After leaving the office of foreign minister, I have continued to conduct talks on this issue at the unofficial level. In particular, I met with the chairman of the U.S. Congress Foreign Affairs Commission, Hilman [name as transliterated], in the United States in November last year. He let me understand that the United States would not purchase the first tonnes of uranium extracted from missiles until Belarus, Kazakhstan, Russia, and Ukraine themselves settled appropriate issues. I and Mr. Hilman have been exchanging correspondence on this issue over this year.

I act only from patriotic motives. It is not important who is in power in Belarus, but the money for uranium should belong to our people.

I think that if the highest political leadership of Belarus displayed a willingness, the talks with Moscow could undoubtedly be much more successful. At a certain stage, the issue of weapons-grade uranium should be addressed together with other problems, in the resolution of which Russia is interested.

I truly believe that our leadership's persistency and the Russian leadership's goodwill will lead to a consensus on this matter. After all, proceeding from a number of international legal acts and the logic of developments connected with the 4 February 1993 ratification of the START-1 treaty by our parliament, the truth is on our side. We only want to receive what rightfully belongs to the Belarusian people.

New Parliament Speaker Addresses News Conference

LD1201210496 Moscow INTERFAX in English 1857 GMT 12 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Semen Sharetsky, 58, was elected chairman of the Belarusian Supreme Soviet in a second round of voting.

His candidacy was supported by 108 out of 174 MPs.

At a news conference in Minsk the new speaker said that parliament must create a legal framework for a market, socially-oriented economy with various kinds of ownership being legal.

Asked if the conflict between the legislative and executive branches is now over, Sharetsky said he is not inclined to quarrel with other branches of the authority. He explained that no useful purpose would be served if the head of state and himself were engaged in a personal tug-of-war, adding that he was aware of the difference between the role he and the president are to play in the state.

IF Note: President Alyaksandr Lukashenka did not sign the bills passed by parliament for eight months saying that it was illegitimate as its five year term was over since last March. A new parliament had not been elected by that time because of lack of a legal framework for it and a low turnout in elections. It was not until the end of 1995 that a new Supreme Soviet was elected.

Sharetsky said he had a working meeting with President Lukashenka Thursday, he said, at which both men worked out an understanding on most issues and thus made fruitful cooperation possible.

Sharetsky shares Lukashenka's misgivings about the plans for NATO's enlargement. "Why should NATO enlarge as far as Brest and not Vladivostok? But if it intends to encompass Asia, the North Atlantic Alliance will duplicate the United Nations," he said.

Sharetsky agreed with Lukashenka about the need to preserve free medicine and education because most residents of the country were not psychologically prepared for a "paid social sphere."

All kinds of land ownership must have equal rights, Sharetsky said, arguing that "private ownership of land is needed to an extent that will attract a stable inflow of foreign investments into the republic's economy."

On the other hand, he is convinced that if land cultivated by large farms is sold in small lots, collective and state farms providing 80 percent of the foodstuffs the country needs could disintegrate.

Asked what kind of domestic and foreign policy the country should pursue, Sharetsky said: "There is no point in deceiving the people about reinstating the USSR tomorrow. One should understand that Belarus exists as a sovereign state." He admitted that Russia and Belarus have much in common and numerous ties. The eastern direction in Belarus's economy and policy will be given priority, but relations with Russia should be developed without jeopardizing Belarusian sovereignty and independence.

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Sharetsky argued that he and his supporters in the Agrarian Party are in the Supreme Soviet for creative work, not politicking. He is convinced that exercise in rhetorics broadcast throughout the country should be ended. Commissions and party groups should do most of the preparatory work and bills should be thoroughly drafted when they are put to the Supreme Soviet, he believes.

Parliament should act is a contractor for the executive branch, Sharetsky believed. "We will ask government to keep us informed what kind of legislation they need. The Supreme Soviet will determine the essence of new legislation," he said.

Sharetsky said that he intends to have parliament's plenary session use two languages. "If economic issues such as the budget or taxes are debated, the session will be held in Russian, but if the legislation covers culture, in Belarusian," he explained. IF Note: Sharetsky, an ethnic Belarusian, has an equivalent of the master's degree in agriculture. He served as a collective farm chairman and graduated the Minsk Higher Party School. He is a Dr. Sc. (Economy).

Sharetsky was one of the organizers of the Agrarian Party which he heads since 1992. He is married and has two sons. He has residence in Minsk.

New Parliament Sides With Constitutional Court

MK1301084896 Moscow NEZAVISIMAYA GAZETA in Russian 12 Jan 96 p 3

[Report by Yuras Karmanov: "The President Is Exerting Pressure on the Constitutional Court. The Parliament May Arise Between the Constitution Court and Lukashenka"]

[FBIS Translated Text] On the eve of the first session of the newly elected Belarusian parliament, which opened on 9 January, relations between the president and a part of the newly elected deputy corps aggravated anew. A group of deputies responded to the attempts of the president to exert pressure on the Constitutional Court [CC] by adopting a resolution calling presidential actions unlawful.

President Lukashenka has long been making attempts to pressure the CC. Consultations between the president and the CC started in mid-1995, when several presidential edicts were recognized as unconstitutional. Alyaksandr Lukashenka said then that it was the situation under which the old parliament was no longer legitimate that had forced him to issue edicts in substitution of laws. The CC, which, in its turn, recognized the old parliament as competent, maintained that no considerations of expediency could be substituted for laws. The confrontation reached its peak when the president stated that any rulings of the CC should not be enforced on the territory of Belarus. Contrary to expectations, no harsh actions on the part of the president followed, but now another round of confrontation is emerging.

On 29 December, Alyaksandr Lukashenka issued a secret directive, whereby the executive branch was instructed not to enforce the CC ruling concerning the abolishment of presidential edicts. In addition, Lukashenka, through his envoy, has sent to the CC a message suggesting that unless the court chairman resigns, the president will help him do so by his edict.

Since the time when a full-fledged parliament was elected, however, the alignment of forces has changed drastically. The CC chairman turned to the newly elected parliamentarians asking them to shield the CC from presidential pressure, which the deputies indeed did by having adopted a corresponding resolution. It says, in particular, that the president, by his actions, is putting to the question the agreements reached during recent consultations between the chief executive and deputy factions, whereby the sides have firmly decided to observe the law. The harsh tone of the resolution signifies that the long drawn-out period of presidential absolute power is over, and the parliament, if necessary, can become an "armor" for the CC. In addition, the president was given to understand that any escalation of tension would inevitably lead to aggravation of relations with the parliament. During the so-called anarchy period, when there was no parliament in Belarus, the CC was called "the last stronghold of democracy."

Commenting on the situation with the CC, Stanislaw Shushkevich, former Belarus parliament speaker, told your NEZAVISIMAYA GAZETA correspondent, "At the time when there was no competent Supreme Council in Belarus, the CC was the last citadel of democracy and a barrier preventing the institution of a dictatorship in Belarus."

A thaw in relations between the president and the CC set in after the CC, on recently elected deputies' request, revised the decision of the previous parliament regarding the lowering of voters' participation rate in the second round. [As received] latest ruling of the CC, however, whereby as many as seven presidential edicts were recognized as unconstitutional, has triggered a new escalation of tension. Such a turn of events is hardly advantageous for the president. It cannot be excluded that, having exposed the CC as yet another enemy, Lukashenka will try to impose this topic on the parliamentarians, dividing them into at least two opposing camps.

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Moldova

Snegur: Moldova Will Not Join NATO, CIS Military Blocs

LD1501210396 Moscow ITAR-TASS in English 2030 GMT 15 Jan 96

[By Nikolay Morozov]

[FBIS Transcribed Text] BUCHAREST, January 15 (Itar-Tass) — Moldovan President Mircea Snegur confirmed on Monday that his nation is not seeking integration either into NATO or CIS military structures.

He said that the Moldovan Constitution prohibits accession to any military blocs. "That's why we are not preparing either for accession to NATO or integration into military structures of the CIS," Snegur said in an interview with the Rompres news agency in Romania where he was on a 12-day vacation.

"We are not worried about NATO's expansion to the east," he said, adding, however, that "we should reckon with Russia's position on this issue."

During his stay in Romania, Snegur had talks with Romanian President Ion Iliescu to discuss a wide array of issues concerning bilateral relations between the two countries.

Chisinau Supports Ukrainian Proposal on Peacekeeping Forces

AU1601093596 Chisinau BASAPRESS in English 2230 GMT 14 Jan 96

[Interview with Vasile Sova, Moldovan vice foreign minister and head of the Moldovan delegation to the CIS foreign ministers meeting, by an unidentified correspondent in Moscow on 12 January]

[FBIS Transcribed Text] Chisinau, 14/01/1996 (BASApress) — [Correspondent] One of the main items in the agenda of the CIS foreign ministers meeting represented the draft concept on prevention of wars in the CIS. Did the Moldovan delegation take part in the discussion of this subject?

[Sova] Moldova, as you well know, abstains from participating in the CIS political-military activity, and did not take part in the drafting of this concept — neither at the expert level nor in any other way. But we have to admit that this matter concerns the interests of our country too, for the well-known reasons. That is why I have to tell you that, though the Moldovan delegation did not participate in the discussions, we found the idea of the Ukrainian representatives quite acceptable. It says that all peacekeeping operations in CIS must be held under the UN and OSCE [Organization for Security and Cooperation in Europe] aegis. We support it completely.

[Correspondent] A broad range of problems were examined at the meeting. In the discussion of which did Moldova participate?

[Sova] I reiterate that the Moldovan delegation did not participate in the discussion of a number of political-military problems. At the same time, we supported the draft agreement on border regulations. It was presented by Ukraine as an alternative to the agreement on common security signed only by a few countries. According to the draft agreement on border regulations, borders within CIS will have the status of state frontiers, fact which is to be fixed juridically in agreements. Moldova and other six CIS states support this document which will be proposed for the approval of the CIS heads of state who will meet on January 19. Besides, our delegation supported the documents on cooperation between the CIS countries in the cultural field and organization of consultations at different levels. We proposed to exchange information on the fulfillment of the earlier concluded agreements. In this respect, we suggested that one of our meetings include a report on the fulfillment of the Memorandum on Peacekeeping and Stability Within the CIS and the Declaration on Respect for Territorial Integrity of CIS Countries and Frontier Inviolability.

[Correspondent] The meeting examined the problem of conflict settlement in Abkhazia. What is Moldova's attitude to this problem?

[Sova] The Georgian representatives suggested the examination of a set of documents on Abkhazian conflict settlement. Actually, it was the Moldovan delegation who asked the meeting to consider Georgia's proposals. Our attitude to this problem arises from the support for Georgia's territorial integrity. Abkhazia must have a status within a federative Georgia, and the officials in Tbilisi agree on this point. There are also other urgent problems; one of them is the return of refugees to Abkhazia. The Abkhazian problem must be solved with maximum caution, so that the war be not resumed.

[Correspondent] Is it possible that Moldova will follow Georgia's example and propose the examination of the Dniester problem?

[Sova] I do not rule out the possibility that Moldovan representatives will submit their proposals on Dniester conflict settlement at various levels to win the support of other CIS countries.

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Foreign Minister: Good Ties With Russia Will Continue

LD1201200196 Moscow INTERFAX in English 1927 GMT 12 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] CHISINAU, Jan 12 (Interfax) - The appointment of Yevgeniy Primakov as Russian foreign minister will not keep relations between Moldova and Russia from developing, Moldova's Foreign Minister Mikhail Popov has declared in an interview with Interfax, adding that closer ties with Russia gets a priority in Moldova's foreign policy. These relations should advance "to a qualitatively new level, where real partnership and mutual benefit" will prevail.

Giving credit to the new Russian minister's abundant political experience, Popov described Primakov as a diplomat and politician, well known not only in Russia but abroad.

With Primakov in foreign office, Moscow will keep its approaches to a settlement in the Transdniester region intact and will spare no mediatory effort to resolve the conflict there. The position of Yuriy Karlov, a newly appointed presidential negotiator on a settlement in Transdniester, inspires optimism, Popov said.

"At a meting in Chisinau Tuesday, Karlov voiced the view that Transdniester's problem could be solved only if Moldova retains territorial integrity and the Transdniester region gets wide autonomy," Popov said, adding that "Chisinau is prepared for a settlement precisely on such principles."

Zhirinovskiy Recruits Bodyguards in Tiraspol

AU1601093796 Chisinau BASAPRESS in English 2230 GMT 14 Jan 96

[FBIS Transcribed Text] Tiraspol, 14/01/1996 (BASA-press) — Russian Liberal-Democratic Party (RLDP) followers in Tiraspol are currently engaged in drafting ten young men as bodyguards for the party chairman, Vladimir Zhirinovskiy.

Sources in Tiraspol told BASA on conditions of anonymity that the drafting is conducted by Ivan Kylchik, Tiraspol radio editor, who passes himself off as an admirer and good friend of Zhirinovskiy's and RLDP member Vladimir Soloshenko's.

The ten bodyguards should be physically fit and share the Russian liberals' ideological platform. They will be accommodated in Moscow hotels and paid 850,000 rubles per month.

Asked why he is lookir for bodyguards in Dniester, Zhirinovskiy allegedly said Dniester should pay for his efforts thanks to which the Russian State Duma recognized Dniester.

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Kazakhstan

Nazarbayev on CIS Summit; Transfer of Capital City

LD1101195096 Moscow INTERFAX in English 1752 GMT 11 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The presidents of Kazakhstan, Kyrgyzstan and Uzbekistan intend to meet shortly to coordinate their positions ahead of the upcoming CIS summit to be held in Moscow on January 19.

Speaking at a press briefing in the Kazakh capital Almaty on Wednesday, Kazakh President Nursultan Nazarbayev noted the growing ties between the three Central Asian republics, particularly in the economic sphere.

He said that the upcoming CIS meeting will be a "very important" one.

But before going to Moscow, Nazarbayev will fly to Belarus on January 17-18 to sign bilateral agreements establishing a customs union between Russia, Kazakhstan and Belarus. He welcomed the customs union, saying that its establishment boosted bilateral trade between Russia and Kazakhstan by 25-30 percent in the first half of 1995.

Nazarbayev also hailed a recent decree signed by Russian President Boris Yeltsin to remove customs barriers on the border between the two countries.

He stressed that Kazakhstan considers Russia as its strategic partner and "greatly benefits from having such a neighbor."

He noted that many issues, such as the lease of the Baykonur cosmodrome and other military facilities, are being resolved on a mutually beneficial basis.

The Kazakh president particularly noted a project to build an oil pipeline through Russia, expressing the hope that work on it will speed up in 1996.

During his meeting with Yeltsin in Moscow in November 1995, the two presidents agreed that the first 10 million tonnes will flow via the pipeline already this year.

On personnel changes, Nazarbayev said he has relieved Daulet Sembayev of his duties as the chairman of the National Bank and appointed his first deputy Uraz Dzhandosov as his successor.

Sembayev, whom the president described as a "person who knows the area of finances and economy very well," will become a member of the Senate (under the constitution, the president can appoint seven members of the upper house of parliament). The names of the other six senators will be announced next week. Meanwhile Nazarbayev is holding consultations with the government and leading political parties.

The president also said he will appoint Nikolay Makiyevskiy as deputy prime minister to deal with the transfer of the national capital from Almaty to Akmola.

Previously, Makiyevskiy has worked as head of the State Commission for Emergency Situations.

"I am ready to act decisively. You should have no doubt about that," the president said, adding that he intends to celebrate the New Year's holidays in 1998 in the new capital.

He pointed out that a general development plan will be completed in the near future. Work will get under way to attach new quarters to the building of the regional administration and remodel premises for the parliament.

He said the government has already contributed $15 million to fund the work.

"Akmola will become the administrative capital of the country, while Almaty will remain its spiritual center," Nazarbayev said.

He pointed out that the president will work both in Almaty and Akmola. Almaty will remain the country's capital until the government moves to Akmola. Meanwhile, foreign guests arriving on official visits will be received in the new residence. IF NOTE: Government agencies are expected to move to Akmola in 1997. A special government commission in charge of the transfer has already prepared a list of ministries and departments to move before the others. These include the president's office, parliament, government, and Ministries of the Interior, Defense, Economics and Finance. A commission member said that the "transfer of these agencies will prepare the city for a mass relocation."

The official noted that the government has already received applications from a number of Turkish, French, Korean and other foreign companies wishing to develop the new capital.

The government has announced three contests: to modernize Akmola's airport, to build a business center and a new residential area.

The official stressed that the parliament will soon adopt a law on tax, customs and other privileges for companies investing in the development of Akmola.

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Ambassador to EU on Trade Relations With West

MS1201112896 London THE TIMES in English 12 Jan 96 p 8

[Article by Auezkhan Kurbasov, Kazakhstan Ambassador to EU: "A New Beginning" — from the section on Kazakstan, p 8]

[FBIS Transcribed Text] In olden times Kazakstan was actively involved in trade relations with the West. The Great Silk Road was the first example in human history of multilateral cooperation, not only in trade but in developing cultural ties.

The relationship between Kazakstan and Europe has a long history, but unfortunately those links were destroyed. Our task now is to restore that earlier cooperation.

The establishment of the embassy in Brussels and accreditation of the head of mission to the Benelux countries and the European Union has given us an opportunity to create completely new conditions for developing relations with other EU members.

Several treaties have been prepared, such as the Agreement on Partnership and Cooperation between Kazakstan and the European Union. This was an exceptionally important event in our history.

The recent signing of the Interim Agreement on Trade with the EU was the first significant step towards the integration of Kazakstan into Europe. Our country has also signed the European Energy Charter.

The EU is one of the main foreign trade partners of Kazakstan (28.5 per cent of total foreign trade) providing 63 per cent of our trade with non-CIS countries. Some states have been even more successful — for example, the Netherlands took second place in Kazak exports, after Russia, in 1994.

We have already created a number of joint ventures between Kazak and European companies in machinery building, agriculture and service industries. In fact, Kazakstan takes first place among Eastern European and CIS countries for the total amount of investment, more than $45 billion.

Our Ambassador in London has already been designated — Mr Nurtay Abykayev, who was Chief of Staff of the President of Kazakstan. This appointment is evidence of the priority we attach to relations with Britain. I believe Kazakstan has a great future in Europe.'

Iran Vice President Arrives for Economic Talks

LD1501183796 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] ALMATY, Jan 15 (PIA-Interfax) - Iranian Vice President Hasan Habibi arrived on an official visit to Kazakhstan Monday to discuss prospects for economic cooperation with the Kazakh leadership.

"The strengthening of economic cooperation between the two countries is the aim of my visit to Kazakhstan," Habibi said in Almaty airport. Habibi plans to negotiate with Kazakh President Nursultan Nazarbayev and Prime Minister Akezhan Qazhygeldin. At the end of the talks, the parties are expected to sign an agreement on mutual protection of investments and on avoidance of dual taxation.

Experts told Petroleum Information Agency that the major goal of Habibi's visit to Kazakhstan is Iran's effort "to win over Kazakhstan" in determining the route of oil transportation from the Caspian Sea.

Not possessing any great reserves of hydrocarbons in its own sector of the Caspian Sea, Iran started to search more actively for a partner in CIS countries. Experts recognize that the most economic transportation of oil from the Caspian Sea fields through Iran by means of its "replacement," whereby oil is delivered to the north of the country, and the volume of this raw material equivalent to its value is compensated to producers in the south in the Persian Gulf.

At the same time, any decision made by Kazakhstan, in whose oil sector the American Chevron plays an important role, will be primarily guided by the political situation, experts believe.

Tajikistan

Foreign Minister Hails CIS Meeting on Tajikistan

LD1301195496 Moscow ITAR-TASS World Service in Russian 1300 GMT 13 Jan 96

[By ITAR-TASS diplomatic correspondent Vladimir Suprun]

[FBIS Translated Text] MOSCOW, 13th Jan — The CIS foreign ministers adopted a very constructive and businesslike approach to the package of issues relating to Tajikistan and took decisions which completely satisfy our republic. This assessment of the decisions taken by the meeting of the Council of CIS Foreign Ministers, which ended in Moscow on Friday, was given today in an ITAR-TASS interview by Talbak Nazarov, Tajikistan's foreign minister.

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"The unanimous extension by my colleagues of the mandate of the collective peacekeeping forces in the RT [Republic of Tajikistan] and the appointment of Russia's General Zavarzin as commander of the peacekeeping contingent demonstrated how concerned the Commonwealth states are at the present situation in and around Tajikistan and how determined they are to facilitate the earliest possible settlement of the conflict," Talbak Nazarov stressed. He highly praised the new commander's personal and professional qualities, noting that General Zavarzin is a "highly erudite, communicative and, unquestionably, competent person."

The foreign minister was asked about the prospects for resuming the Ashgabat round of the inter-Tajik talks, mediated by the United Nations, between a Dushanbe government team and representatives of the armed wing of the Islamic Rebirth Movement of Tajikistan. The talks were broken off indefinitely at the end of last year. The minister expressed confidence that the parties would, in spite of everything, resume the talks "at an early date." "Neither the central authorities nor the opposition are interested in taking the blame for delaying, let alone wrecking, the negotiating process," he noted. At the same time Talbak Nazarov made it quite clear that Dushanbe would firmly insist, as a basis for continued talks, that both sides observe the framework agreement of 17 August 1995 which envisages, among other things, renunciation of armed struggle.

The minister also declared that the RT government is in almost complete control of the situation in the republic "down to individual districts and villages." He said that manifestations of terrorism were, increasingly, purely criminal rather than political in nature. In the struggle against this evil, Talbak Nazarov said, we will deploy the national armed forces and border troops whose formation is now in full swing.

President Pardons Former Opposition Party

LD1201215396 Moscow INTERFAX in English 1829 GMT 12 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Tajik President Emomali Rakhmanov signed on Friday a decree pardoning the Democratic Party which was once in opposition to official Dushanbe, presidential spokesman Zafar Saidov told Interfax.

The decree pardons party chairman Shodmon Yusup and his two deputies, poet Bozor Sobir and Oinikhol Bobonazarova.

The president also ordered their criminal cases closed and exempted Sobir from his suspended sentence of four years in prison he had been serving since December 1993.

Saidov said that while signing his decree in accordance with Article 69 of the constitution the president was guided by the principles of humanism and mercy, as well as the "highest interests of the people of Tajikistan wishing to further strengthen peace and accord, build a genuinely democratic society and provide ample opportunities to all political parties and movements to participate in the political life of the country and its government."

In addition, Rakhmanov took into account the fact that the above opposition leaders "have acknowledged their unlawful actions and voiced support for the political, social and economic reforms in the republic," the spokesman said. IF Note: On November 5, 1993, Rakhmanov, who headed the republic's parliament at that time, asked the Supreme Court to make allowances for poet Bozor Sobir and, if possible, find a sentence which would not entail his imprisonment.

In his appeal to the court, Rakhmanov admitted that Sobir had taken part in a "fratricidal war" in Tajikistan on the side of "fundamentalist pseudo-democratic forces" having joined which he "became one of the most active advocates of their unsafe ideas."

However, the parliament speaker noted that the court "should take into account the poet's previous achievements" and his "contribution to the development of Tajik literature," adding that his works had been enjoyed and liked by the people.

In a separate letter to Tajik Public Prosecutor Makhmadnazar Salikhov, Rakhmanov requested him to ease sanctions against Oinikhol Bobonazarova, an associate professor of the Law Department of Tajik State University, and swap arrest for a pledge not to leave the city.

In his letter, Rakhmanov noted that Bobonazarova had been arrested on October 8, 1993 for anti-state activities during the 1992 armed revolt. At the same time, he urged the Public Prosecutor's Office "to take into account the degree of her involvement in these activities, her age and family status," adding that "such a move would be taken by the general public as a manifestation of humaneness and mercy on the part of law enforcement agencies."

President Calls For Solution to Power, Food Shortages

LD1201145296 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 11 Jan 96

[FBIS Translated Excerpt] Appeal by the president of the country to the people of Tajikistan:

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Dear compatriots! Our beloved Tajikistan is on the eve of celebrating the fifth anniversary of its independence. For five years the destiny of our country has been in our own hands. However, our electricity and food supply systems depend on the single economy inherited from the Soviet period and this is increasing our difficulties day by day. Owing to the shortage of electricity and natural gas, dozens of industrial enterprises are standing idle and thousands of our compatriots have had to leave their preferred jobs and find work elsewhere; some have joined the unemployed. This is happening in a country that has an enormous reserve of hydroelectric power and natural gas. [passage omitted]

The only way out of this crisis is to solve the electricity and food shortage problem. [passage omitted]

So far, we have two hydroelectric power stations — the Sangtuda power station and the big Roghun power station [Sangtuda is in the process of being built; Roghun is nearing completion]. If they are put into operation, the republic's economy will emerge from the crisis. [passage omitted]

All big industrial enterprises, companies, concerns, big farms, public and state organizations and structures are to participate in this very urgent work. A special account accepting foreign and national currency has been opened at the bank to collect the necessary amount for building the Sangtuda hydroelectric power station. [passage omitted]

Uzbekistan

Article Views Solutions to Aral Crisis

LD1201195096 Tashkent NARODNOYE SLOVO in Russian 11 Jan 96 p 3

[FBIS Translated Excerpt] The Aral crisis arose as a result of the reduction of the flow of the Amudarya and Syrdarya rivers into the Aral sea. [passage omitted: ecological disaster in the region; international organizations are trying to solve the problem; UN conference held in Nukus last year]

The main condition to alleviate the consequences of the Aral crisis is, first, to stabilize the sea level at 37-38 meters, which can be achieved by annually allocating 25-30 cubic kilometers of water from the resources of the Amudarya and Syrdarya to maintain this level. Second, there is the draining of collector drainage water from the beds of the rivers.

Unfortunately, much time will be needed to solve the problems of the Aral and its vast basin through the measures proposed. The population of the Aral area, in the epicentre of the ecological catastrophe, needs urgent help.

Some think that people from the zone of ecological catastrophe should be resettled elsewhere. However, the opinion prevails (and we think it to be the only correct one) that the population of the Aral area must remain on its primordial lands. The only way to maintain them in their localities is to improve living conditions.

Much has been planned and is being done to this end by the governments of the Republic of Uzbekistan and Karakalpakistan. The problem of supplying settlements with electricity has been almost fully solved. In 1991-94, 1,717.3km of water-pipe networks were laid from the Tyuya-Muyun mains to the settlements of Karakalpakistan, and the level of provision of the population with running water has already reached 56 percent. In these years, 16.3km of sewage and 3,106.2km of gas networks were laid. The supply of the population with gas stands at 80 percent, including 64 percent to rural inhabitants.

However, it is worrying that in 1994-95 the construction rates of these important life-supporting facilities started falling sharply. The reason is lack of funds. [passage omitted]

A total of 80 percent of the Karakalpak population being supplied with natural gas is a seemingly impressive figure. However, the rural gas-supply figure is 64 percent. That is not so bad, either, but one must remember that the remaining 36 percent of the rural population is in no less need of natural gas. On the whole, these are small settlements scattered throughout the vast territory of the republic, and to draw them into the gas network is labor-consuming work. It will be approximately 40-50 percent of the volume of the gas-mains work carried out up to the present. If it is done at 1995 rates, then it will be difficult to complete the gas supplies in the time-scales set by the president of Uzbekistan.

Thus, there are all the grounds to maintain that, in the conditions of the Republic of Karakalpakistan, we think that supplying the population with clean drinking water, a sewage system, irrigation water in the required amounts, and natural gas, to be one of the most important aims.

We think such a measure of assistance to the population will be justified. The grounds for the need to give privileges to the population of the lower reaches of the Amudarya were in their time worked out by the Supreme Council of the Republic of Karakalpakistan. However, we realize that it is difficult to solve the problem from the budget of the Republic of Uzbekistan alone. Therefore, the united efforts of other Central Asian republics are also likely to be required. [passage omitted]

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Armenia

Deputy Minister Compares Bosnia, Karabakh

NC1201200096 Yerevan Radio Yerevan International Service in Armenian 2115 GMT 10 Jan 96

[Interview with Deputy Foreign Minister Vardan Oskanyan by Amasya Hovhannesyan published in HAYASTANI HANRAPETUTYUN; place and date not given — read by Arshaluys Sargisyan]

[FBIS Translated Text] [Hovhannesyan] How should 1995 be viewed in terms of the process for settling the Karabakh conflict?

[Oskanyan] Seen in terms of practical results it could be unequivocally said that no change at all has taken place compared to the situation in December 1994. In short, Nagorno-Karabakh's political status has not been defined and no political agreement has been signed. This means that no peacekeeping force has been deployed, the refugees have not returned to their homes, and an end to the blockades has not been made.

On the other hand, the truce signed on 17 May 1994 is being observed, the Lachin corridor is functioning unimpeded, there have been no serious incidents or casualties on the Azerbaijani-Karabakh border, and Karabakh is managing its own political, economic, and social affairs. That is, the situation existing in December 1994 has not changed at all.

The observance of the truce throughout 1995 was conditioned by the fact that the initial negotiating process was continuing and the sides had hopes of achieving results through talks. And, second, the sides were tired of war. Third, a balance of forces emerged on the fronts the disruption of which required huge efforts. And finally, Azerbaijan had not recovered from its large scale offensives in 1993 and 1994 and had no means to disrupt the balance of forces. Naturally, the truce is very fragile because the above- mentioned four factors, which were basic reasons for the maintenance of the truce, could easily change. For that very reason, the peace process will assume greater significance in 1996.

I must note that in contrast to the practical results, 1995 was quite an active year as regards negotiations and diplomacy. As you know, the OSCE [Organization on Security and Cooperation in Europe] summit in Budapest in 1994 decided to establish the office of the co-chairmenship of the Minsk Group. Russia and at first Sweden, and then Finland as of 21 March 1995, were asked to assume this office. I have to state that compared to 1994, the co-chairmen directed the process and mediated with considerable harmony. This enabled the sides to reflect more seriously and intensely on the fundamental issues of the conflict.

Eight rounds of talks took place in 1995, four in Moscow, two in Helsinki, one in Vienna, and the last in Bonn. Basically, the so-called Major Political Agreement was discussed in all these rounds. The Major Political Agreement does not include the issue of Nagorno-Karabakh's political status. It is merely a transitional phase in the peace process. For that reason, the sides had major differences regarding this approach throughout the year.

Basically, there are two ways to solve the problem. One is a phased solution, and the other is the so-called package solution. The phased one calls for a truce to start with, and this already exists, and second, the signing of the Political Agreement, which should formalize the truce and render the entire peace process irreversible. Only after that will it be possible to move to the third stage, which is the examination and adoption of a decision on Nagorno-Karabakh's political status at the Minsk Conference. This is basically the approach Armenia tried to promote throughout 1995.

In contrast to Armenia, I must say that Karabakh has a somewhat different approach. They prefer a package solution that should also include the issue of political status in that agreement. Azerbaijan also favored a package agreement during the talks in March and April of 1995. Here the agreement in approach was due to diametrically opposite reasons. Before returning any territory, Karabakh wanted to know what sort of status it would be getting. Whereas Azerbaijan was concerned with the freezing of the situation and the deployment of peacekeeping forces, and before the deployment of peacekeeping forces, it wanted to know if the status they were willing to give was acceptable for Karabakh.

As I said, their approaches concurred but for completely different reasons. In view of all this, the co-chairmen adopted a new method whereby parallel to the discussion of the Political Agreement the so-called fundamental issues were singled out and were discussed during those rounds. These fundamental problems were Nagorno-Karabakh's status and security, the problem of Lachin and Shusha, and the question of the refugees from northern Karabakh. The examination of these problems, particularly that of status, produced no serious results because the approaches and views on status differed radically. Realizing soon that the differences in views persisted and this could harm solution of the other problems, such as the return of the territories and of the refugees and so on, Azerbaijan again shifted towards a phased solution and began to put the stress on the Political Agreement.

But the Political Agreement has not yet been signed. There are two basic reasons for that: First, the in-

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ternational community and Azerbaijan failed to provide convincing and sufficient guarantees for the nonresumption of military operations and for the security of the Karabakh people. And the second well-known reason was the differences on Lachin. The Political Agreement has not yet been signed for these two reasons.

[Hovhannesyan] What awaits us in 1996?

[Oskanyan] I think that 1996 will be quite different qualitatively. We are entering a new phase. There are a few basic reasons for this. The first is the decision on establishing direct contact between the sides agreed upon in Bonn and embodied soon after in the resolution on Karabakh during the OSCE ministerial meeting in Budapest on 7-8 December 1995. It will give a new quality to the peace process. The discussion of the important problems between the sides without intermediaries could be more productive than the efforts we exerted throughout the year within the Minsk Group framework. The direct contacts will also make it possible to work in a more concentrated manner on the important problems and would put the leaders of the three sides under the spotlight.

Second, the discussion of the fundamental problems in 1995, mainly the discussions on Karabakh's status and security, somewhat crystallized the sides' views. That in turn, exposed the sides' radical differences on these problems. This in turn made the co-chairmen, the Minsk Group members, and the influential countries conclude that the sides's views are so divergent, at the least as regards status, that if left to themselves they will probably never come to an agreement.

I gather from this that in 1996 the Minsk Group, in particular the important members of the Minsk Group, might express their views on solution of the problem a bit more boldly. In doing so they will go somewhat beyond being mere coordinators of the mediatory process and more resolutely express their concept of a solution.

The third one has to do with the Dayton agreement on Bosnia. In 1995 the international community's main attention was focused on Bosnia. I am certain that that agreement will be successfully implemented, for certain important factors are at play there. First is NATO's prestige. Second, the prestige of the United States, in particular in view of the fact that this is a presidential election year in the United States and Clinton and his administration will do everything to see that it is successfully implemented. And finally, the prestige of the EU.

As such, the successful implementation of the peace process in Bosnia will affect Nagorno-Karabakh in two ways. First, the international community will have more time to deal with the Karabakh problem. And second, the model implemented for the settlement of the Bosnian problem could also serve as a precedent for the settlement of other conflicts.

I would like to single out two elements in that model. First, the signed agreement, whose text I studied, does not fit in with traditional methods of conflict settlement. There is considerable serious creative work there. In that sense, it is also a good precedent for us in that it is not absolutely necessary to rely on traditional methods. Rather, there could be quite creative work and new methods that could genuinely satisfy both Karabakh and Azerbaijan. Second, the international community did everything it could to maintain, as a formality, the territorial integrity of Bosnia-Herzegovina. For me these are two important factors about which we have to think seriously as they will definitely have repercussions for the process of settling the Karabakh problem.

As I said, 1996 will be full of diplomatic activity, but of course also fraught with the danger of military operations being resumed. However, it is difficult for me to predict the results of this new qualitative phase.

Azerbaijan

Aliyev Sends Yeltsin Message on Karabakh Issue

NC1301142196 Yerevan NOYAN TAPAN in English 0823 GMT 12 Jan 96

[FBIS Transcribed Text] Yerevan, Jan. 12 (NOYAN TAPAN) — Azeri President Geydar Aliyev addressed a message to his Russian counterpart, urging to resolve the conflict between Azerbaijan and Armenia as soon as possible, Turkish ANATOLIA news agency reports. Aliyev attaches great importance to Russia's and other countries' role in solving the Karabakh conflict.

Last December Boris Yeltsin addressed a letter to Geydar Aliyev in which [he] stated his viewpoint on settlement of the Karabakh conflict.

Chevron President Meets SOCAR Team on Oil Issues

NC1201142996 Baku TURAN in English 0443 GMT 11 Jan 96

[FBIS Transcribed Text] Baku/11.01.96/TURAN— Today the president of American oil company "CHEVRON" Richard Matzke met with the president and vice-president of SOCAR Natig Aliyev and Ilham Aliyev.

Questions on possible transportation of oil, produced from Kazakhstan oil field Tengiz by the bottom of

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the Caspian to Azerbaijan and then to Georgia were discussed, according to the informed sources. The same sources report that "CHEVRON" is interested in formation of such a project, as this company is the main participant of the project for the development of Tengiz field in Kazakhastan shelf of the Caspian.

According to experts, "CHEVRON" tries to find alternative ways to Russia for transportation of Tengiz oil. This is due to the fact that Russian option is not too favourable from the economic point of view and is periodically used by Moscow for the purpose to make pressure on "CHEVRON".

President Receives Chevron President

NC1201212996 Baku TURAN in English
1157 GMT 12 Jan 96

[FBIS Transcribed Text] Baku/12.01.96/TURAN — Today the president Geydar Aliyev received Richard Matzke, the president of "CHEVRON" American oil company, who is presently in Baku and two vice presidents of the company Espy Prides and Arounn Licthtblau. Matzke said that over the period of works in Azerbaijan"CHEVRON" managed to make good business relations with SOCAR [State Oil Company of Azerbaijan Republic].

Before coming to Baku the delegation visited Georgia where it discussed questions of mutual interest, Matzke noted. "The purpose of our visit to Baku is to discuss questions on participation of "CHEVRON" in the development of oil fields in the Azeri sector of the Caspian and transportation of oil to the West through the territory of Georgia, " Matzke said.

Geydar Aliyev, in turn, said that Azerbaijan had an experience of co-operation with the American oil companies. He noted that on the eve he had met in Paris with vice-president of the US Albert Gore and discussed with him the questions on bilateral American-Azeri cooperation.

He noted that "CHEVRON" had been carrying out geophysical works in the Azeri sector of the Caspian. "There are fields rich in oil and I think that we will sign a contract for their development with "CHEVRON" in the near future," Aliyev said.

"Our choice of multiple route for transportation of oil meets the interests of all oil companies and states involved to the "contract of the century." When we were discussing possible routes of transportation AIOC [Azerbaijani International Oil Company] told me that "CHEVRON" was interested in construction of oil pipeline through Georgia. As you can see, your interests were taken into consideration," Aliyev said.

Then Aliyev said: "Multiple option of pipeline will be realized and your task is to work out and to submit your projects in use this pipeline," Geydar Aliyev said.

Then, at the request of Matzke, the meeting was held behind the closed doors.

• "CHEVRON" company is carrying out geophysical works in two perspective blocks in the Azeri sector of the Caspian: "Araz-Deniz" and "Tagiyev." At the same time, the company has worked out a project for the construction of pipeline along the bottom of the Caspian from Kazakhstan to Azerbaijan, through which oil from "Tengiz" will be pumped to Baku and then to Georgia and Turkey.

AIOC President Discusses Early Oil Recovery Terms

NC1201221896 Baku TURAN in English
0716 GMT 12 Jan 96

[FBIS Transcribed Text] Baku/12.01.96/TURAN— President of the AIOC [Azerbaijan International Operating Company], Terry Adams, is currently in Great Britain. The purpose of the visit are working meetings with the Board of Directors of the International Oil consortium.

As the credible sources told Turan in London Terry Adams discusses the issues concerning revision of the terms of recovery and shipment of the early oil from the offshore Chirag-1 platform. Previously scheduled term of early oil lifting — summer 1996 — appeared to be unreal. Reconstruction of the modules of the platform will only be completed by this time and late in 1996 — early in 1997 early oil recovery from the Chirag-1 will start.

Next week Terry Adams is to return to Baku. Earlier the consortium has concluded agreements with Georgia and Russia concerning early oil shipment through these states. Before end January 1996 Russia and Azerbaijan are expected to sign the intergovernmental agreement concerning oil shipment from Baku to Novorossisk, and a little bit later the same agreement will be signed with the Georgian side.

Aliyev Announces Radical Reform of Economic Management

LD1501192196 Moscow INTERFAX in English
1640 GMT 15 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Azerbaijani President Geydar Aliyev signed a decision Sunday [14 January], instructing Prime Minister Fuat Guliyev to submit his propos-

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als on government reshuffles by January 25, a source in Aliyev's staff told Interfax Monday.

According to his decision, the prime minister should be guided by "the status and powers of the cabinet of ministers, as defined by the country's constitution and in accordance with the requirements to a market economy in transition."

Aliyev also instructed ministries, bodies, committees, companies and concerns to submit their proposals on a radical reformation of the existing management system, including the number, structure and activities of its agents, within a week's time.

In addition, the decision instructed the government to prepare a draft concept for a new social and economic structure "in order to avoid parallel and multi-stage state management." The measure will help cut the management expenditures and clearer define the functions and responsibilities of various officials.

The presidential decision asked the leaders of the fuel and energy complex and the machine-building industry to work out ways to drive the industries out of the present crisis and prospects for their development under market conditions. Their findings are to be submitted to the president for a subsequent discussion at a special conference in early February. IF Note: Aliyev had first proposed radical reforms in economic management at a closed meeting in the presidential administration on January 8, 1996. He harshly criticized the government as "failing to conform to the requirements of the new constitution of Azerbaijan and the new economic strategy of the country's leadership."

Commenting on the presidential decision, the Interfax source said it followed the need for a "drastic reform" in the existing economic management system. This system has become a "ballast and even a brake for reforms," he added. Management bodies are still working in the administrative mode "impeding normal functioning of bodies, organizations and enterprises, limiting their rights and freedoms and preventing them from creating a market environment," he said.

"The existing management bodies lack flexibility and flexible response, there is much slowness and red tape in solving pressing problems," the source said. In his opinion, the ongoing economic liberalization makes necessary "drastic reshuffles in the government, its staff and other central and branch management bodies."

Georgia

Rally in Abkhazia Condemns Hostage-Taking in Kizlyar

LD1201151896 Tbilisi IBERIA in Georgian 1435 GMT 12 Jan 96

[FBIS Translated Text] Sukhumi, 12 Jan — A rally was staged in Sukhumi today. The participants in the rally deplored the incident of taking innocent civilians hostage by Chechen militants in the town of Kizlyar.

Speaking at the rally, leaders of Abkhaz separatists said that despite sincere sympathy for the Chechen people — thousands of whose representatives had fought against Georgian troops in Abkhazia — the Abkhaz people could not support the action. They said that war had its rules and if there was a war in Chechnya, Chechens were obliged to abide by the rules.

Security on Full Alert To Prevent Chechen Infiltrators

LD1501134396 Tbilisi Radio Tbilisi Network in Georgian 1300 GMT 15 Jan 96

[FBIS Translated Text] An IBERIA correspondent has been told at the Georgian Defense Ministry that at the order of the Defense Minister Vardiko Nadibaidze, Georgian air defense system has been put on full combat alert following reports about Abkhaz militants trying to infiltrate Chechnya in helicopters.

The Georgian Security Ministry has several times warned Russian special services about the [Chechen] militants' possible infiltration of Georgia from Chechnya.

The leadership of the Russian federal border troops deployed in Georgia has told us that Basayev's 70-strong unit is planning to infiltrate [Georgia] from the Argun river gorge. Their aim is to gather force in Georgia, move to Abkhazia, and together with Abkhaz militants carry out terrorist acts in Russia's big cities.

All power structures in Georgia have been mobilized. Deputy Security Minister Temur Grdzelidze, together with an operational subunit, has already arrived in Pankisi gorge.

Chechen Fighters Reported Infiltrating Abkhazia

LD1501180896 Moscow Russian Television Network in Russian 1700 GMT 15 Jan 96

[from the "Vesti" newscast]

[FBIS Translated Text] Literally a few minutes ago Niklay Kandiashvili, our correspondent in Tbilisi, got in touch with Captain Sergeyev, duty officer at the

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headquarters of Russian peacekeepers in Abkhazia. Sergeyev said that at about 0400 this morning around 70 Chechen fighters infiltrated Abkhazia. It is not known who their commander was. This report was confirmed by General Shota Kviraia, Georgian state security minister. According to the information available to the special services, after a two-day respite the fighters will head for various regions of Russia to carry out acts of terror.

Border Troops Chief Denies Chechens Infiltrating Border

LD1401134996 Moscow ITAR-TASS World Service in Russian 1220 GMT 14 Jan 96

[By ITAR-TASS correspondent Tengiz Pachkoriya]

[FBIS Translated Text] Tbilisi, 14 Jan — Major General Valeriy Chkheidze, commander of the Georgian border troops, has denied a report by some media alleging that a group of Chechen militants penetrated into Georgian territory. In a conversation with correspondents today, Chkheidze described this report as a "totally unfounded rumor."

Chkheidze said that in connection with the events in Dagestan, sub-units of the Georgian border troops have stepped up their protection measures along the Chechen and Dagestan sections of the Georgian-Russian border. The commander stressed that the Georgian border guards protect these and other sections of the Georgian-Russian border in close cooperation with sub-units of the Russian Federal Border Service.

Interior Ministry Denies Infiltration of Chechen Fighters

LD1501200896 Moscow INTERFAX in English 1952 GMT 15 Jan 96

[FBIS Transcribed Text] TBILISI, Jan 15 (Interfax) — The press bureaus of the Georgian Interior Ministry and Security Service today denied media reports alleging that 70 Chechen fighters entered Abkhazia, an internal Georgian breakaway republic.

The media have circulated such reports quoting Georgian Interior Minister Shota Kviraya.

Representatives of Georgia's Interior Ministry and Security Service told Interfax Monday that Georgian special services had no knowledge of entry by Chechen fighters.

Russian Official: Peacekeepers Should Stay in Abkhazia

LD1501182196 Moscow INTERFAX in English 1621 GMT 15 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 15 (Interfax) - Moscow believes that the CIS peacekeeping force should stay in Abkhazia for some time yet, a senior Foreign Ministry official told Interfax Monday.

The mandate of the force, which includes only Russian units, expired on December 31, 1995. The official said, however, that the force will stay in Abkhazia until the CIS Council of Heads of State makes its decision. "A month or two will not change much," he said.

The CIS is to hold its next summit in Moscow on January 19.

"The CIS peacekeeping force looks after observance of the ceasefire and its presence prevents resumption of hostilities and so serves the interests of the warring parties," the official said.

The Russian units will only stay there if both Tbilisi and Sukhumi agree, he said, adding that the Abkhazian authorities want the mandate of the peacekeeping force extended.

Shevardnadze: Georgian-Russian Treaty 'Vital'

LD1501183296 Moscow ITAR-TASS in English 1724 GMT 15 Jan 96

[By Tengiz Pachkoriya]

[FBIS Transcribed Text] TBILISI, January 15 (Itar-Tass) — President Eduard Shevardnadze on Tuesday urged soonest ratification of a Georgian-Russian cooperation treaty by the local parliament saying this will be a "timely step which is in line with vital interests of the both states."

In an interview with national radio, Shevardnadze said it will be senseless to drag out or delay the ratification of the document which was signed by two presidents during Boris Yeltsin's visit to Tbilisi in February 1994.

The parliament is to vote on the treaty "On Friendship, Goodneighbourly Relations and Cooperation" at its extraordinary session on January 17.

The Georgian parliament committee for foreign relations last week backed the treaty endorsement.

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Nadibaidze to Moscow for Russian Military, CIS Meetings

LD1601130796 Tbilisi IPRINDA in Russian 1235 GMT 16 Jan 96

[FBIS Translated Text] Tbilisi, 16 January — The press center of the Georgian Defense Ministry reports that Defense Minister Lt-Gen Vardiko Nadibaidze left for Moscow on 16 January. He will meet the general officers of the Russian Armed Forces in Moscow and participate in the CIS summit scheduled for 19 January.

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Estonia

Oovel, NATO Chief on New Defense Policy, Russia

LD1101165196 Tallinn Radio Tallinn Network in Estonian 1300 GMT 11 Jan 96

[Passages within quotation marks are recorded]

[FBIS Translated Text] Sir Garry Johnson, head of the group advising Baltic defense politicians, said that their main task was to assist Estonia with drawing up a white book on state defense. Tanel Talve reports:

[Talve] The aim of the visit of Sir Garry Johnson is to plan future cooperation of the international group advising Baltic defense politicians. Defense Minister Andrus Oovel said that the completion of document on the main directions of Estonia's defense policy had reached the stage of drawing up the general plan of state defense. The assistance of advisory group will be needed for drawing up the white book of Estonia's state defense.

[Oovel] "To start with, the white book for us includes three documents. The first of them is on the main directions of defense policy and has already been drawn up by the Defense Ministry and has been handed over to the factions of the Riigikogu [parliament] so that all positions in this 11-page document includes are agreed to, as well as its appendixes of slightly over 100 pages. Based on this document, after it is approved by the parliament, it is possible to start the drawing up of the general plan of state defense and a plan for mobilization.

"To sum this up, during 1996 the Defense Ministry aims to put together in the form of a white book three documents: the main directions of the state defense policy, the general plan of state defense, and the call-up plan."

[Talve] Oovel said that the most important task at the moment was to make the Estonian defense system capable to cooperate with other states.

[Oovel] "This means that we would actually be able to be in the same chain of command with NATO countries and to understand them, that our training would allow our troops to really cooperate with any of the 16 partner states, and that the logistics basis would make it possible to help us in the event of a crises; that is, providing that our Western partner states decided to do so."

[Talve] Oovel had the following to say on relations with Russia:

[Oovel] "I am saying unambiguously and clearly that the Estonian state does not regard any state as its enemy. And if there could be any talk about an enemy, then this enemy is instability in the world around us. It is not at all important where the instability comes from, whether it is from north, south, east, or west. Our goal is to increase stability, and we do see that this is possible only via supporting any developing democracy.

"We should not fear Russia, we should help it. If today four out of six presidential candidates have unambiguously and clearly stated that the Soviet Union must be restored in its former borders, then I do not fear as much the four presidential candidates who have said this. But we have to watch out very carefully for these tens of millions of electors who make their decision based on this rhetoric and, as a result of this, will also demand steps to be taken."

[Talve] Sir Johnson, too, said that the reason for their visits was not to protect Estonia from Russia.

[Johnson, in English fading into Estonian summary] According to Sir Garry Johnson, the intention is simply to assist the Baltic states in drawing up a sensible defense concept that we would be capable of and that would also have the support of the people. Johnson said they were not discussing any threats and this was not their task. In the context of NATO, Russia should be regarded as an equal partner as it is taking part in the Partnership for Peace program and in the peace process in former Yugoslavia. So there are areas in which the West offers cooperation to Russia, but at the same time cooperation is also expected from Russia.

[Talve] The defense ministers of the Baltic states will meet in Tallinn on 22 and 23 January to give a joint opinion on the work of Sir Johnson's group in 1995 and also to sign a document on cooperation for 1996.

Tallinn, Moscow Agree on Border Line

WS1501143896 Tallinn ETA in English 0954 GMT 15 Jan 96

[From 15 January EESTI PAEVALEHT, p 1; "News Bulletin" No. 10/96]

[FBIS Transcribed Text] Monday, January 15 — Estonia and Russian have reached to an agreement that the border line will run along the current inofficial border that dates back to the Soviet period. Head of the Estonian delegation, Foreign Ministry vice-chancellor Raul Malk pointed out that no definite agreement has been made as yet, but both sides proceed from the assumption that the existing border has been approved. Estonia will thus lose the Petserimaa and the area to the east of Narva River, but some changes of the border line will take place in the south-eastern sector. The border line disrupts there the use of a road and prevents shipping on Lake Peipsi. Official teams will be formed to solve the problems with Narva power stations.

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Foreign Minister, Swedish Counterpart Discuss Russia

LD1501211596 Tallinn Radio Tallinn Network in Estonian 1800 GMT 15 Jan 96

[Interview with Foreign Minister Siim Kallas by unidentified correspondent — live]

[FBIS Translated Excerpt] [Unidentified correspondent] Estonian Foreign Minister Siim Kallas left for a visit to Sweden today. We have a telephone connection with Stockholm. Mr. Siim Kallas, how did your meeting with Swedish Foreign Minister Lena Hjelm-Wallen go?

[Kallas] It was a working meeting, I would say. We discussed the agenda of eight points, including the situation with the movement towards the European Union and the situation in the European Union, and possible developments relating to political changes in Russia.

We informed each other about several problems which were on the foreign policy agenda of our states. She was interested in the current state of affairs and prospects of our relations with Russia.

We discussed quite extensively cooperation between the states of the Baltic Sea, as a meeting of prime ministers of the Baltic Sea states will take place at the beginning of May, and issues relating to this and the possibilities to make this more concrete. We also discussed possible visa-free travel. The Swedes link this very seriously to the ratification of convention on refugees, which we need some time to come up with. [passage omitted] We also discussed various matters of bilateral relations like possible further aid programs and other matters.

[Correspondent] When you discussed the situation in Russia, where, as we recall, rather worrying things like election victory of the Communists and the replacement of Foreign Minister Kozyrev took place recently. What was the attitude of the sides to these issues.

[Kallas] We exchanged our analyses, which largely agreed both on the personality of the new foreign minister and on the situation in Russia. We also discussed the notes which cause concern like the statements of Russian diplomats here and there saying that they have lost patience with Estonia and the like. But there is currently nothing around that would directly indicate that some very aggressive and direct actions were in the pipeline. So this was the sort of information we exchanged and we promised to continue such contacts in future.

Sweden expressed definite commitment that on diplomatic battlefields they were to give us strong support if our security became threatened.

President Meri Replaces Defense Forces Commander

LD1201175796 Tallinn Radio Tallinn Network in Estonian 1700 GMT 12 Jan 96

[FBIS Translated Text] President Lennart Meri in his capacity as supreme state defense commander today appointed Lieutenant Colonel Johannes Kert acting defense forces commander until a defense forces commander is approved by the Riigikogu [parliament]. At the same time, the president released Colonel Vello Loemaa from the post of acting defense forces commander [having appointed him to this post 20 December]. The appointment of Johannes Kert as acting defense forces commander results from the need to ensure continuity in the defense forces command.

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